



ELECTORAL AREA SERVICES COMMITTEE

Thursday, May 19, 2022

Held Electronically

and Transmitted via the SCR D Boardroom,
1975 Field Road, Sechelt, B.C.

AGENDA

CALL TO ORDER 9:30 a.m.

AGENDA

1. Adoption of Agenda

PRESENTATIONS AND DELEGATIONS

2. Kelsey Oxley, Sunshine Coast Disc Golf Association Annex A
Regarding Disc Golf Course Proposal for Connor Park pp 1 - 4
(Voting – Electoral Area Directors)
3. Andy Jones-Cox, Halfmoon Bay Community Association *Verbal*
Regarding Coopers Green Hall Project

REPORTS

4. Coopers Green Hall Replacement Project - Construction Budget Annex B
Update pp 5 - 24
General Manager, Community Services, Chief Financial Officer,
Manager, Asset Management
(Voting – Electoral Area Directors)

COMMUNICATIONS

IN CAMERA

ADJOURNMENT



Disc Golf Course Proposal
Connor Park
Sunshine Coast Disc Golf Association
May 2022

Background

What is disc golf?

Disc Golf is played much like traditional golf. Instead of a ball and clubs however, players use a disc, or Frisbee. The sport was formalised in the 1970's and shares with "ball golf" the object of completing each hole in the fewest number of strokes (or in the case of disc golf, the fewest number of throws).

The player begins by 'driving' from a designated concrete tee area (tee pad) and continues toward the target, throwing each consecutive shot from the spot where the previous throw has landed. Finally, a successful 'putt' sends the disc into the target, and the hole is completed. The combination of challenges to players, including distance, accuracy and wind, trees, shrubbery, water and terrain changes, provide plenty of action and excitement during the course of a round.

Players are drawn by many of the same pleasures found in traditional ball golf: fresh air in a beautiful landscape, the camaraderie of friends, and the challenge and excitement of combining personal skill and speed to project an object toward a target. Disc golfers and the general public have co-existed without incident in public parks for decades.

Disc golf is enjoyed year round and in all types of weather conditions, including rain and snow.

Who Plays Disc Golf?

Disc golf is played by individuals of all ages and backgrounds. Disc golf can be played from school age to old age, making it truly one of the great lifetime fitness sports available. Disc golf is easy to learn, and inclusive. Players merely match their pace to their capabilities, and proceed from there. Players of limited fitness levels can start slowly and gradually increase their level of play as fitness improves. The sport is rapidly growing in popularity, as the use at Shirley Macey Park in Gibsons demonstrates. A player can start with just one disc and have access to a new sport. This opens the game up to countless Sunshine Coast residents who cannot afford many of today's other popular recreation activities.

Bottom line, disc golf is fun for everyone regardless of age, gender or economic status.

What is the SCDGA?

The Sunshine Coast Disc Golf Association is a grassroots players' organization. In 2019 we registered as a non-profit society within the province of BC, and the SCDGA began work. There is currently only one public course on the Sunshine Coast, at Shirley Macey Park. The SCDGA entered into a memorandum of understanding with the Sunshine Coast Regional District in mid-2021, and has begun stewardship of that course. This has included placement of new baskets and course maintenance.

The SCDGA is intent on growing the sport of disc golf locally by:

1. Building and maintaining disc golf courses
2. Hosting community events, such as tournaments and skill clinics
3. Educating the public on disc golf rules, etiquette and technique

During the past two years the SCDGA has seen tremendous growth in active membership. Because disc golf is a “social distancing sport” by its very nature, the sport has exploded in popularity on the Sunshine Coast.

Our organization has stepped up to organize events for our growing membership that adhere to local and provincial health regulations during the pandemic. We believe this has played a large part in the sport’s growth locally. The SCDGA now operates the Shirley Macey disc golf course in Gibson under an MOU with the Sunshine Coast Regional District.

As an example, we hold a weekly event from spring to fall where club members can play a round of disc golf at Shirley Macey Park and then upload their scores.

Recently, the SCDGA has been working with the Parent Advisory Council at Halfmoon Bay Community School to develop a Disc Golf Club. The children are enjoying learning the sport, and the PAC has purchased portable baskets and discs that the students are able to use on school grounds.

<https://www.coastreporter.net/local-sports/flying-discs-enchant-halfmoon-bay-students-5339870>

Connor Park Course

Design, Building and Maintenance

The Sunshine Coast Disc Golf Association proposes a beginner friendly 9 hole course, within the boundaries of Connor Park. Course design and installation will be done by the SCDGA in collaboration with other user groups and parks staff.

The location would be adjacent to existing recreational uses, not traversing the field. This does not impact field uses such as soccer, consistent with the use at Shirley Macey. The course proposal is for a small area, 9 holes of family friendly play would utilize approximately 4 hectares of this 18 hectare park. There is no detailed course map yet, as discussion with Parks staff would be required.

The installation of a 9 hole disc golf course in Connor Park would include the construction of tee pads and the installation of signs and targets. Branches will need to be trimmed or removed near tees and baskets, especially near eye level range. Brush and ground cover would be removed and modified as needed on fairways, similar to trail building. No buildings would be created.

Once a course is in place, maintenance costs are relatively low. Repair, raking and tree trimming will be required as needed. Maintenance can be required on heavy footpaths. Tee pads should be regularly checked for safe grade, signs checked for maintenance needs, and hazardous brush removed. If vandalized or stolen, targets and signage will be replaced. The SCDGA has insurance to cover these activities at Shirley Macey, and would also apply for insurance to cover the project at Connor Park. Installation and maintenance costs can be drastically offset by player volunteer efforts.



Community Support

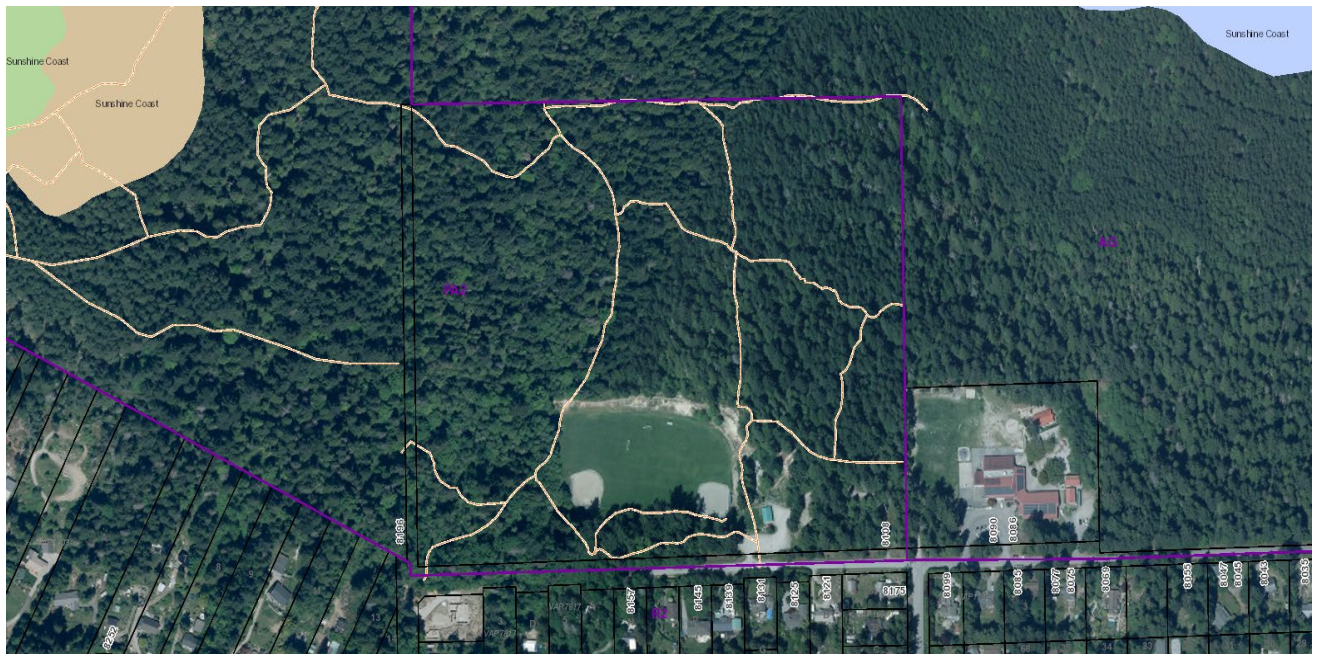
This is our second time applying for recreational disc golf in Halfmoon Bay. The SCDGA has taken away much of the feedback from the last application, and has scaled back and directed this proposal accordingly.

The entire project would remain within the boundaries of SCR D land in Connor park. The land is designated PA2 Zone (Park and Assembly Two).

The SCDGA would not be removing/felling any large trees. We would like to work with the community for input on location to reduce impact on other user groups.

The SCDGA has several letters of support, including from:

- The Halfmoon Bay Community School
- The Halfmoon Bay Community Association



Map of Connor Park with existing Trails

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Electoral Area Services Committee – May 19, 2022

AUTHORS: Shelley Gagnon, General Manager, Community Services
Tina Perreault, Chief Financial Officer
Kyle Doyle, Manager, Asset Management

SUBJECT: **COOPERS GREEN HALL REPLACEMENT PROJECT – CONSTRUCTION BUDGET UPDATE**

RECOMMENDATION(S)

THAT the report titled Coopers Green Hall Replacement Project – Construction Budget Update be received for information;

AND THAT Board direction on how to proceed with the Coopers Green Hall Replacement project be provided.

BACKGROUND

Coopers Green Park is a key venue for community connection, recreation, and social activity for the Halfmoon Bay area and draws visitors for the entire Sunshine Coast. Constructed in 1984, the Coopers Green Hall has served as a community focal point. The idea of replacing the hall with a larger and more serviceable facility was supported in 2014, when the Halfmoon Bay Community Association (then named the Welcome Beach Community Association) signed a Memorandum of Understanding with the SCRD (see Attachment A). The Association also transferred approximately \$140,000 from the sale of the Welcome Beach Hall to hold in trust with the vision of replacing Coopers Green Hall.

In alignment with the Parks and Recreation Master Plan and arising as a key priority from the Coopers Green Park Management Plan, planning for the Coopers Green Hall replacement project began. Community consultations on the hall replacement beginning in 2016 resulted in a number of initiatives including:

- Board approval and budget to support design services
- The appointment of a community task force that supported the development of a design for the new hall
- Community fundraising
- Coopers Green Hall Replacement project website was created

At the time, the order of magnitude estimate for the project was \$1,000,000.

Dialogue began with the shíshálh Nation about opportunities to showcase and interpret the Nations culture and heritage in the design of the new hall, and the project benefited from the participation of past SCRD Director/shíshálh Nation Councilor Keith Julius as a member of the Task Force. The Task Force worked through the fall and winter of 2017/2018 and then hosted an open house in March 2018 to gather feedback from the community on a schematic design for a new hall. Community consultation confirmed both the location of the hall at Coopers Green along with the size and configuration of the schematic design. With the schematic design confirmed, the final meeting of the Task Force took place in September 2018. At that time, the SCRD was holding \$207,859 in trust raised by the Halfmoon Bay Community Association for the purpose of a new hall.

The schematic design along with an updated construction budget was presented to the SCRD Board in December 2018. The Board approved the submission of a grant application through the Investing in Canada infrastructure Program (ICIP) for a project construction budget of \$2,960,000 (+/-15%). The proposed capital funding plan included Halfmoon Bay Community Association fundraising contribution, IPP Community Amenity Contributions, ICIP Grant and up to \$591,192 short term borrowing by the SCRD. The Board further directed that should additional donations or grants be received, that these sources be used to offset the need for debt financing.

In July 2020, the Board received confirmation that the ICIP Grant had been approved. Conditions of the grant approval included project completion by March 31, 2025 with a maximum grant amount of \$2,013,641 (73.3% of the eligible costs). The staff report outlined the significant time delay since the Class B estimate in 2018, suggesting a 7% construction escalation factor be added bringing the estimated project budget to \$3,088,020. The Board directed staff to once again engage in a public engagement process regarding the proposed location and siting and proposed scope of the project. Further, staff were directed to explore the potential of a cooperative arrangement with the Halfmoon Bay Community Association in regards to the operation of the hall.

The results of the public engagement process were brought back before the Board in February 2021 and helped inform consideration of the project as part of the 2021 Budget adoption deliberations. The project budget for completing the design and initiating the construction of the Coopers Green Hall of \$3,088,020 (including a maximum contribution of \$528,378 by the SCRD through short-term borrowing) was approved in the 2021 SCRD Budget. The Halfmoon Bay Community Association had continued its fundraising efforts and an increased contribution of \$345,000 was agreed upon.

In June 2021, the Board directed staff to amend the design of the hall to be 'net zero ready' and to prepare a proposed operating plan reflecting a partnership with the Halfmoon Bay Community Association. Staff were also directed to prepare a project budget update prior to tendering as well as a cost control strategy.

Staff have met with representatives of the Halfmoon Bay Community Association on a regular basis over the past eight months. The group continues to champion the project as well as raise funds for the hall construction. They have suggested that although donations continue to be received, fundraising efforts at present are challenging given that the project has seen little to no progress for several years. That being said, they remain committed to the project and to doing their part to see the new hall constructed.

The purpose of this report is to provide the Board an update on the project and to receive direction on how to proceed.

Links to all previous reports related to Coopers Green Hall Replacement project can be found in Attachment B.

DISCUSSION

Coopers Green Hall Replacement – Project Update

Over the past eight months, the design has been amended to include net-zero readiness. The updated detailed design is now complete, a Class B (+/- 15%) estimate for the construction of the hall has been conducted, and the application for archaeological permits for site alteration have been submitted. The next stage involves the preparation of construction drawings and contract documentation followed by tendering the construction of the new hall.

The Class B estimate, completed in March 2022, now projects hall construction to cost \$3,285,700. Adding on all other project costs of approximately \$785,320 (including accounting for potential cost saving of \$83,000), the estimated total project budget for the replacement of Coopers Green Hall is now \$4,071,020.

Table 1: Estimate History

Coopers Green Hall Project			
	December 2018 PCDC Report	2021 Approved Budget	Revised Budget Estimate 2022
Class B Estimate for Construction	\$ 2,553,500	\$ 2,745,520	\$ 3,293,800
Additional Construction Related Costs	\$ 100,000	\$ 100,000	\$ 145,625
Project Management Costs	\$ 242,500	\$ 242,500	\$ 631,595
Total	\$ 2,896,000	\$ 3,088,020	\$ 4,071,020

* 2021 Approved Budget added 7% inflation to Class B estimate from 2018.

The 2018 Class B estimated a construction cost of \$716/ft² versus the 2022 Class B estimate of \$981/ft². Unfortunately, over the past few years, soaring material costs, supply chain bottlenecks and tight labor markets have resulted in rising construction costs, on a scale not seen in decades.

Other Related Site Planning Items

Current construction estimates include \$50,000 to address the additional parking stalls required as per the expired 2018 Board of Variance requirement. Further, as a separate project from the hall construction, staff have been directed by the Board to plan for a parking management strategy as well as enhanced park, hall, and boat ramp parking infrastructure. A project budget proposal for this additional work has yet to be brought forward.

Identified Risks and Mitigation Efforts in projected cost estimates include:

1. Current market instability is a significant cost and schedule risk item. March year over year inflation was reported to be 6.7% which is a 30-year high.
2. 2022 Class B Estimate includes a projected 5.3% construction escalation to a project start in Q1 2023.
3. Non-construction project costs include an \$80,000 contingency for archeological review during construction. The discovery of archaeologically significant material could necessitate further studies with additional cost and could impact construction scheduling.
4. An additional 2% construction contingency and a 1% general contracting contingency were added to reflect the contingency values used in the 2018 Class B estimate.
5. Variances previously granted for siting and parking have expired and will need to be reissued prior to construction.
6. Additional contingency value could be added to total project budget.

Potential cost containment strategies:

1. Price-adjustment clauses that protect both parties from unanticipated swings in material prices.
2. Construction timelines that accommodate or work around material costs and supply-chain impediments
3. The non-construction project costs include a \$75,000 contingency for a construction manager to help control costs during construction.

4. The project will have a strong emphasis on our social procurement consideration which will include living wage, expertise knowledge in the local vender community, apprenticeship programs and environmental factors.

Status of Project Funding

The following table (Table 2) represents a summary of the capital funding plan approved by the Board during the 2021 budget deliberations.

Table 2: Funding Sources

Funding Source	
Halfmoon Bay Community Association Fundraising	\$ 345,000
Bear Creek IPP	\$ 191,000
Narrows Inlet IPP	\$ 10,000
ICIP Grant	\$ 2,013,642
Debt Funding	\$ 528,378
Total	\$ 3,088,020

Some of these costs have been expended and there is \$3,061,669 that was carried forward in the 2022-2026 Financial Plan.

The ICIP Grant received in 2020 has a maximum value of \$2,013,642 and 73.33% of eligible costs of the hall. In 2020, staff confirmed with ICIP grant staff that there is some flexibility for how ICIP support is used, however, the project must include the following criteria:

- o Located in Halfmoon Bay, and
- o Is a Community hall/community space, and
- o Includes a kitchen, and
- o Involves participation/collaboration from the shishálh Nation,
- o And maintains both the funding formula (73.33% contribution) and cap (\$2,013,641).
- o the completion date of the project must be no later than March 31, 2025.

The gap between the approved project budget of \$3,088,020 and 2022 estimated construction costs of \$4,071,020 is \$983,000. Given the volatility of the construction market and risks associated with the project, staff recommend an additional ~10% contingency, which would bring the total project budget to a maximum of \$4,500,000, making the funding gap just over \$1.4M.

Options to Address Project Funding Gap:

Staff note that due to grant stacking rules, gas tax funds can only be used for project expenses that are ineligible for the ICIP grant, which amount to approximately \$400,000.

Additional sources to fund the projected \$1.4M gap are presented in Table 3 below for the Boards consideration:

Table 3: Additional Potential Funding Sources

\$34,000	Bear Creek Amenity- unallocated
26,000	Bear Creek Amenity- anticipated 2022 contribution
2,000	Blue Earth Amenity Contribution for Coopers
400,125	Area B Community Works Gas Tax for items not ICIP eligible
949,855	Additional debt funding

Total \$ 1,411,980

Total debt funding necessary for the project would increase up to \$1.5 million, and the estimated financial implication of short-term debt servicing for the Parks function has been presented below in Table 4 with various interest rate sensitivity factors as interest rates are expected to continue to rise. The total interest paid on the short-term loan over the 5 years would range from \$115K to \$275K over the term and the duration the tax burden would be passed along would be shorter. The estimated residential tax rate per \$100,000 of property values for the revised total debt burden has also been provided. Therefore, on home assessed at \$1,000,000, they could pay approximately \$21 to \$24.50 in 2024. These values will also change as property assessments will vary until project completion.

The final project and debt servicing is estimated to start around 2024 which could mean an approximate 12-18% tax increase for the Community Parks service as the requisition for 2022 was just over \$2 million (\$ Change-Table 4).

Table 4: Short-Term Debt Tax Implications

	\$1.5 Million-Short-Term Debt Servicing							
	\$ Change				Residential Rate Per \$100K Assessment			
	2%	3%	4%	5%	2%	3%	4%	5%
2022	\$ 1,324	\$ 1,986	\$ 2,647	\$ 3,309	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.03
2023	\$ 16,620	\$ 24,930	\$ 33,240	\$ 41,550	\$ 0.14	\$ 0.21	\$ 0.28	\$ 0.34
2024	\$ 253,179	\$ 267,268	\$ 281,358	\$ 295,447	\$ 2.10	\$ 2.22	\$ 2.33	\$ 2.45
2025	\$ 322,737	\$ 334,105	\$ 345,474	\$ 356,842	\$ 2.68	\$ 2.77	\$ 2.86	\$ 2.96
2026	\$ 316,737	\$ 325,105	\$ 333,474	\$ 341,842	\$ 2.63	\$ 2.70	\$ 2.77	\$ 2.83
2027	\$ 310,737	\$ 316,105	\$ 321,474	\$ 326,842	\$ 2.58	\$ 2.62	\$ 2.67	\$ 2.71
2028	\$ 304,756	\$ 307,134	\$ 309,512	\$ 311,890	\$ 2.53	\$ 2.55	\$ 2.57	\$ 2.59
2029	\$ 75,247	\$ 75,370	\$ 75,493	\$ 75,616	\$ 0.62	\$ 0.62	\$ 0.63	\$ 0.63

As per previous Board decisions, the debt portion of the funding has been contemplated through a loan under agreement for a short-term period of 5 years. Alternatively, the Board could go for long-term borrowing which requires elector approval such as through an Alternative Approval Process (AAP), however, this would delay the ability to continue with the project until AAP results were known. An AAP could take up to five (5) months to complete (see Attachment C – AAP Timeline).

As the building expected useful life exceeds 20 years, a long-term debt amortization of 20 years has been used for analysis. The estimated financial implication if long term debt of up to 20 years has been provided in table 5 with long-term interest rate sensitivities built into the analysis. The total interest paid over the term of the loan could range at over \$650K to \$1.7 million depending on the interest rate that the SCRDP locks into with MFA at the time of security issuing. The residential rate would on home assessed at \$1,000,000 could be approximately \$9.40 to \$13.60.

Table 5: Long-Term Debt Tax Implications

	\$1.5 million- Long Term Debt Servicing (up to 20 years)							
	\$ Change				Residential Rate Per \$100K Assessment			
	3.65%	5%	6%	7%	3.65%	5%	6%	7%
2022	\$ 1,217	\$ 1,217	\$ 1,217	\$ 1,217	\$ 0.13	\$ 0.13	\$ 0.13	\$ 0.13
2023	\$ 15,280	\$ 15,280	\$ 15,280	\$ 15,280	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.27
2024	\$ 32,771	\$ 32,771	\$ 32,771	\$ 32,771	\$ 0.32	\$ 0.40	\$ 0.46	\$ 0.52
2025	\$ 38,113	\$ 48,238	\$ 55,738	\$ 63,238	\$ 0.94	\$ 1.11	\$ 1.23	\$ 1.36
2026	\$ 113,471	\$ 133,721	\$ 148,721	\$ 163,721	\$ 0.94	\$ 1.11	\$ 1.23	\$ 1.36
2027	\$ 113,471	\$ 133,721	\$ 148,721	\$ 163,721	\$ 0.94	\$ 1.11	\$ 1.23	\$ 1.36
2028	\$ 113,471	\$ 133,721	\$ 148,721	\$ 163,721	\$ 0.94	\$ 1.11	\$ 1.23	\$ 1.36
2029	\$ 113,471	\$ 133,721	\$ 148,721	\$ 163,721	\$ 0.94	\$ 1.11	\$ 1.23	\$ 1.36

Coopers Green Hall Operating Plan

The SCRD is the steward of a variety of amenities available for recreation and leisure pursuits including facilities and park land. There are numerous ways in which these amenities are managed. In addition to operating their own facilities, the SCRD has a history of exploring and delivering services through alternative operational models such as third party operated facilities. The SCRD works in partnership with organizations and benefits from their knowledge and expertise to deliver effective programs and services in targeted areas. The mutually beneficial partnerships work together to advance the SCRD’s vision and work to achieve outcomes that strengthen community and serve residents across the Sunshine Coast.

This new Coopers Green Hall will mark a new direction for SCRD owned community centres, in that it would be a hybrid of a traditional community activity centre and a regional community centre, designed to serve not just the Halfmoon Bay area residents, but all communities across the Sunshine Coast, providing a gathering space for community activities and special events, large and small in nature.

The Board directed staff to explore an operating model with the Halfmoon Bay Community Association. Staff have been meeting with representatives from the Halfmoon Bay Community Association on a monthly basis since September 2021 discussing an operating model for the hall. The guiding principles for the operations of the new Coopers Green Hall include a focus on affordability, accessibility, sustainability, and balance, all of which align with the SCRD’s values. With a focus on affordability and accessibility, it is highly likely that an annual fee for service or operating grant will need to be explored in order to offset an anticipated annual operating deficit. Considerations for annual contributions towards a capital renewal fund will need to be further deliberated, but captured in the consideration for overall operating costs to either the Community Association or the SCRD. Current operating projections suggest the fee for service/operating grant may be up to \$30,000 per year (not including capital renewal). Discussions with the Community Association are ongoing and the business plan continues to be refined.

Analysis and Options

Staff are unable to tender a project without sufficient budget. Direction from the Board on how to proceed with the Coopers Green Hall Replacement Project is required.

The following options are provided for the Boards consideration:

Option #1: Continue with the project as designed, and approve an amended project budget of up to \$4,500,000 using the funding sources outlined in Table 3.	
<i>Advantages</i>	<i>Risks</i>
<ul style="list-style-type: none"> - can complete the construction drawings and go to tender. This would provide the best and most realistic test of market costs. Should the tender bids exceed the allotted budget, the project can be rejected or revisited - based on previous Board direction, there is a signed agreement with the architect to 	<ul style="list-style-type: none"> - sunk costs on the construction drawings and efforts on the tender process (if project is tabled after the tender) - implications to the tax base for additional funding that may not be well received - given the volatility of the market, tender bids may still exceed the projected budget

<p>complete construction drawings and tendering process</p> <p>-proceeding with the project adheres to the ICIP Grant Agreement signed with the federal and provincial governments</p> <p>- supports the original vision of the Coopers Green Park Management Plan and the construction of a new hall in Halfmoon Bay</p> <p>- continues to honor the original MOU with the Halfmoon Bay Community Association to construct a new Coopers Green Hall</p> <p>- continues to honor the original commitment made when receiving donations from the community for the project</p>	<p>- variability of short-term borrowing interest rates</p>
<p>If the Board chooses to proceed with Option #1, the recommendation would be:</p> <p>...AND THAT Coopers Green Hall Replacement Project budget be increased by \$1,411,980 for a total project cost of up to \$4,500,000;</p> <p>AND THAT the project be funded by the following <u>additional</u> sources:</p> <ul style="list-style-type: none"> • \$60,000 Bear Creek amenity funding • \$2,000 Blue Earth Donation to Coopers • \$400,125 Area B portion of the Community Works Fund • \$949,855 short-term debt funding • <p>AND THAT the Sunshine Coast Regional District authorize up to \$1,500,000 to be borrowed, under Section 403 of the Local Government Act, from the Municipal Finance Authority, for the purpose of the Coopers Green Hall Replacement Project;</p> <p>AND THAT the loan be repaid within five years with no rights of renewal;</p> <p>AND THAT the 2022-2026 Financial Plan Bylaw be amended accordingly;</p> <p>AND FURTHER THAT any future grants received towards the Coopers Green Hall project be used to offset short-term borrowing, subject to grant conditions.</p>	

<p>Option #2: Continue with the project as designed, however initiate an elector approval process by AAP to seek elector approval for long-term borrowing</p>	
<p style="text-align: center;"><i>Advantages</i></p> <p>- additional public input into decision on length of borrowing</p>	<p style="text-align: center;"><i>Risks</i></p> <p>- delay further progress on project with construction commencement in late 2023</p>

<ul style="list-style-type: none"> - supports the original vision of the Coopers Green Park Management Plan and the construction of a new hall in Halfmoon Bay - continues to honor the original MOU with the Halfmoon Bay Community Association to construct a new Coopers Green Hall - continues to honor the original commitment made when receiving donations from the community for the project 	<ul style="list-style-type: none"> - delay in project timelines may have implications on signed agreement with the architect - staff capacity to conduct an AAP prior to Q4 is limited due to competing priorities with respect to conducting the 2022 General Local Election - further delay begins to impact ability to complete the project as per the ICIP requirement of March 31, 2025
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If the Board chooses to proceed with Option #2, it should be noted that the Board must still approve the project in principle as the purpose of the AAP would be to seek elector approval for method of borrowing, not whether or not the project should proceed. The recommendation would be:

AND THAT Coopers Green Hall Replacement Project budget be increased by \$1,411,980 for a total project cost of up to \$4,500,000;

AND THAT the project be funded by the following additional sources:

- \$60,000 Bear Creek amenity funding
- \$2,000 Blue Earth Donation to Coopers
- \$400,125 Area B portion of the Community Works Fund
- \$949,855 long-term debt funding (and the \$550,145 of short-term funding now be funded through long-term funding)

AND THAT staff prepare an electoral approval process by Alternative Approval Process (AAP) to authorize long-term borrowing of up to \$1,500,000 over a 20 year term to fund the Coopers Green Hall Replacement Project;

AND THAT the 2022-2026 Financial Plan Bylaw be amended accordingly;

AND FURTHER THAT any future grants received towards the Coopers Green Hall project be used to offset short-term borrowing, subject to grant conditions.

Option #3: Complete a redesign of the building so that it can be constructed within the approved budget of \$3,088,020.

<i>Advantages</i>	<i>Risks</i>
<ul style="list-style-type: none"> - can proceed with building a new hall within existing resources - supports the original vision of the Coopers Green Park Management Plan and the construction of a new hall in Halfmoon Bay 	<ul style="list-style-type: none"> - sunk costs for original detailed design of approximately \$117,000 - will change the scope by significantly decreasing the square footage of the building to find sufficient savings - approximately \$60,000 additional design fees will be required

<ul style="list-style-type: none"> - continues to honor the original MOU with the Halfmoon Bay Community Association to construct a new Coopers Green Hall - continues to honor the original commitment made when receiving donations from the community for the project 	<ul style="list-style-type: none"> - may experience community resistance to change in scope - redesign (2 – 4 months) and confirmation by the community will further delay the project and may result in escalated costs - will need to communicate the change in scope/size to ICIP, which may or may not have an impact on the grant total - further delay begins to impact ability to complete the project as per the ICIP requirement of March 31, 2025
<p>If the Board chooses to proceed with Option #3, the recommendation would be:</p> <p>...AND THAT the size and/or scope of the Coopers Green Hall be redesigned in such a way that it can be constructed within the approved budget of \$3,088,000 and still meets the criteria outlined in the ICIP Grant;</p> <p>AND THAT value of the contract with Principle Architecture be increased by \$60,000 (for the redesign), funded from the Coopers Green Hall Replacement capital project budget;</p> <p>AND THAT the delegated authorities be authorized to execute an amended contract with the Principle Architecture to complete the redesign.</p>	

<p>Option #4: Delay the project for the foreseeable future.</p>	
<p><i>Advantages</i></p> <ul style="list-style-type: none"> - over time the market may stabilize which may have a positive impact on the overall projected costs - other sources of funding may become available - supports the original vision of the Coopers Green Park Management Plan and the construction of a new hall in Halfmoon Bay - continues to honor the original MOU with the Halfmoon Bay Community Association to construct a new Coopers Green Hall - continues to honor the original commitment made when receiving donations from the community for the project. 	<p><i>Risks</i></p> <ul style="list-style-type: none"> - do not know when the market might stabilize - costs may escalate even further - will need to sever the contract with the Architect which may require a payout of up to \$150,000 - sunk costs for original detailed design of approximately \$117,000 - Any gas tax funding spent on the project will need to be repaid, approximate value of \$76,000 - will most likely need to terminate the agreement for the ICIP Grant with the federal and provincial governments (assuming

	<p>project would not be completed by March 31, 2025), which may have a reputational risk</p> <ul style="list-style-type: none"> - ICIP grant funds expended will need to be repaid, approximate value \$50,000 - may experience community resistance to further delay without any commitment to move forward -may be requested to return the funds received by the community association related the previous property sale (\$140,000 plus interest) - donated funds can only be used for the development of the Coopers Green Hall, therefore would remain held in trust until such time as the Hall is developed, which may not be well received by the community
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If the Board chooses to proceed with Option #4, the recommendation would be:

...AND THAT the Coopers Green Hall Replacement Project be shelved for the foreseeable future or until new information be presented that would compel a reconsideration (e.g. favorable changes in market conditions, additional funding opportunities presented);

AND THAT the contract with Principle Architect be terminated;

AND THAT the ICIP Grant authorities be notified of the delay and possible termination of Agreement should the project will not be completed by March 31, 2025;

AND THAT the Halfmoon Bay Community Association be consulted on decisions related to the funds being held in trust for the Hall construction, as per the MOU.

Option #5: Cancel the project, and continue to use existing hall till the end of its useful life.

<i>Advantages</i>	<i>Risks</i>
<p>- No additional financial impact to current tax base</p>	<ul style="list-style-type: none"> - will need to sever the contract with the Architect which may require a payout of \$150,000 - sunk costs for original detailed design of approximately \$117,000 - will need to terminate the agreement for the ICIP Grant with the federal and provincial

	<p>governments, which may have a reputational risk</p> <ul style="list-style-type: none"> - ICIP grant funds expended will need to be repaid, approximate value \$50,000 - any gas tax funding spent on the project will need to be repaid, approximate value of \$76,000 - possible reputational risk for terminating a commitment made to the community for a new hall - will need to return the funds received by the community association related the previous property sale (\$140,000 plus interest) - donated funds can only be used for the development of the Coopers Green Hall, therefore would remain held in trust until such time as the Hall is developed, which may not be well received by the community
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If the Board chooses to proceed with Option #5, the recommendation would be:

...AND THAT the Coopers Green Hall Replacement Project be cancelled;

AND THAT the contract with Principle Architect be terminated;

AND THAT the ICIP Grant authorities be notified of the termination of Agreement and any expended funds be repaid;

AND THAT the previously spent gas tax funds related to this project be repaid;

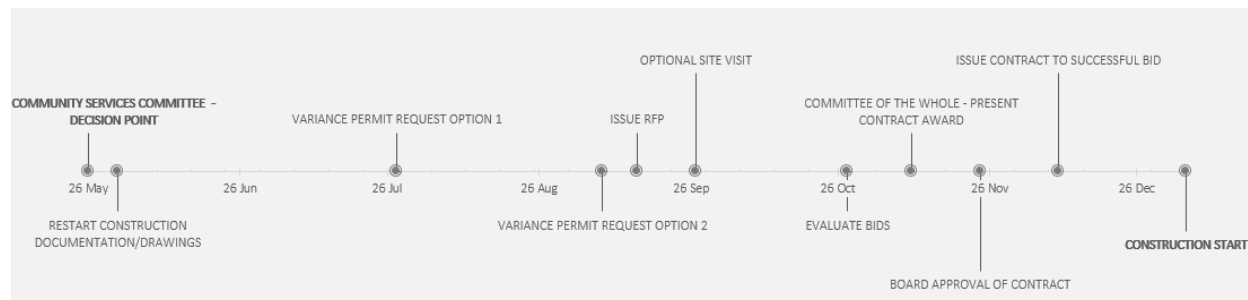
AND THAT the Halfmoon Bay Community Association be consulted on decisions related to the funds being held in trust for the Hall construction, as per the MOU.

Staff have directed a pause on the preparation of construction drawings and tendering documents until further direction is received. Efforts necessary to facilitate permitting continue at this time.

Timeline for next steps

If the Board supports Option #1, the next steps would include completion of the construction documents, tendering the project, contacting the ICIP Grant representatives, and coming back to the Board in the fall with a contract award report.

Steps include completion of construction drawings, tendering project, award of project with construction starting in January 2023.



Option #2 would delay any progress on the project until after the AAP process is completed (April 2023) with construction commencing no earlier than November 2023.

Option #3 would result in a 2 - 4 months delay for redesign, with construction commencing no sooner than the spring 2023.

Communications Strategy

Pending direction from the Board, staff will liaise with all appropriate parties and stakeholders.

STRATEGIC PLAN AND RELATED POLICIES

The Coopers Green Hall Replacement project is aligned with the Parks and Recreation Master Plan and the Coopers Green Park Management Plan. Appropriately leveraging grants and community support contributes to Ensuring Fiscal Sustainability.

Improving a community hall, and planning for management thereof supports the strategic priority of Infrastructure Management. Working with the community aligns with Engagement and Communications.

Expanding our infrastructure portfolio without a comprehensive asset management plan for [650] - Community Parks and constructing close to the shore/sea level challenge priorities of Infrastructure Management and Climate Resilience.

CONCLUSION

The detailed design for the Coopers Green Hall is complete along with an updated Class B Cost Estimate that now estimates a total project budget (including contingencies) of \$4.5M. The budget approved for the project is \$3.088M, creating a significant funding gap. Board direction is required to confirm next steps. Five options have been presented in this report for Board consideration.

ATTACHMENTS

- Attachment A – SCRD & Halfmoon Bay Community Association Memorandum of Understanding for Coopers Green Hall dated February 19, 2022
- Attachment B - List of Previous staff reports regarding Coopers Green Hall Replacement Project
- Attachment C – Alternative Approval Process (AAP) Timeline

Reviewed by:			
Manager		Finance	
GM		Legislative	X - S. Reid
CAO	X - D. McKinley	Risk Management	X - V. Cropp

Memorandum of Understanding

**Coopers Green Hall
5500 Fisherman's Road**

This Memorandum of Understanding is dated the 19th day of February, 2021.

BETWEEN:

SUNSHINE COAST REGIONAL DISTRICT

1975 Field Road
Sechelt, British Columbia
V0N 3A1

(the "Regional District")

AND:

HALFMOON BAY COMMUNITY ASSOCIATION

Box 1646
Sechelt, British Columbia
V0N 3A0

(the "Association")

Collectively known as the "Parties".

WHEREAS:

- A) The Regional District and the Association are bodies with a mutual interest in cooperating in the development of a community hall on the lands known as Coopers Green Park (the "Lands"), legally described as Lot C, DL 1427, Plan VAP20477, shown on Appendix A attached hereto;
- B) The Regional District owns and operates Community Parks and may enter into related agreements with third parties for mutual benefit;
- C) The Parties now wish to record in a Memorandum of Understanding their desire to work cooperatively in the consideration of the planning, funding and development of Coopers Green Hall and execute all such further documents and provide such further assurances as may be necessary to comply with the spirit and intent of this Memorandum of Understanding.

NOW THEREFORE:

The Parties hereto agree as follows:

1. The Regional District agrees:
 - a. To provide a staff liaison to work with the Association to facilitate the objectives of this agreement.
 - b. That subject to consistency with the Coopers Green Park Management Plan and available funding, to plan for the development of Coopers Green Hall;
 - c. That subject to the Coopers Green Park Management Plan, to establish a framework that will facilitate efficient and effective processes with the Association regarding public consultation, development of requirements, siting, design, and other factors;
 - d. To invest \$140,000 of the Association's donations received in trust on behalf of the Association. If the project does not proceed or the Association requests the funds, the Regional District will return the funds to the Association with the interest accrued.
 - e. To deposit any further donations, collected by the Association, in a high-interest savings account until such time as the term of the in-trust account become available;
 - f. Donated funds will become funds of the Regional District and can only be used for the development of the Coopers Green Hall and any related project costs.
 - g. To issue tax receipts for eligible donations of \$100 value or greater according to the financial process and with the required detail recorded, per Appendix B;
 - h. To provide a quarterly financial report to the Association on the funds held in trust including interest earned, as well as a list of donations to date and in accordance to Section 3(e);
 - i. To work with the Association to investigate funding sources outside of taxation for the development of Coopers Green Hall.
2. The Association agrees:
 - a. To provide input regarding the implementation of Coopers Green Management Park Plan;
 - b. To provide representation from the Association to work within the framework established by the Regional District, in the Coopers Green Management Park Plan, on the planning and design for the development of Coopers Green Hall;
 - c. To provide engagement with the community for the purpose of input in regards to the development of Coopers Green Hall;
 - d. To acknowledge it is the Regional District's sole discretion to determine if a hall is built, how it is built, the site selected, vehicle parking requirements and other design and construction factors;

- e. Per special resolution of the Association membership, monies in the amount of \$140,000 provided to the Regional District as provided by the Association are to be held in trust and withdrawn with interest upon unsuccessful completion of the project or per written request by the Association for same.
 - f. That subject to further agreements and approvals included in the Coopers Green Park Management Plan, to continue fundraising efforts towards the development of Coopers Green Hall;
 - g. That any fundraising related fees or administration costs incurred by the Association will be the responsibility of the Association not the Regional District;
 - h. That donated funds that are collected by the Association for which a charitable receipt is to be issued will be submitted by the Association to the Regional District within two weeks after an event in accordance with the requirements outlined in Appendix B.
3. Both Parties agree:
- a. Association monies held in trust by the Regional District can be requested by the Association upon formal written request for the purpose of fundraising events for the Coopers Green Hall project. Any monies paid to the Association (the “Seed Money”) pursuant to such request are to be repaid to the Regional District at a mutually agreeable date out of the future fundraising revenues;
 - b. That any Seed Money returned to the Association will not accrue interest during the time the funds are held by the Association;
 - c. That charitable donation receipts issued by the Regional District must not exceed the donation receipts submitted by the Association fundraising;
 - d. That any amount paid by donors for event fees / expenses, entertainment, food, beverage, or other related ‘advantage’ do not qualify as a donation, as these are not ‘eligible’ per Canada Revenue Agency standards’
 - e. That any databases created to track donor contributions for the purposes of community recognition must be managed in accordance with BC privacy legislation. Written consent from the donor must be provided in advance of sharing such information between parties.
4. Indemnity
- a. The Parties in the understanding do hereby mutually agree to indemnify and hold harmless from each other, its elected officials, officers, employees, agents, successors and assigns, from and against all actions or causes of actions, liabilities, claims, damages or expenses arising or resulting from each other carrying the terms of this agreement.

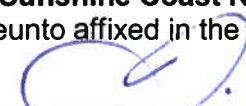
5. Term

- a. The term of this agreement ends five (5) years from the date of signing and may be renewed for a further term of five (5) years. Following consultations between the Parties, this agreement may be terminated by either party 30 days after written notice is provided to the other party. Upon termination, Association donated funds held in trust by the Regional District, including the interest accrued will be returned to the Association within 60 days of termination.


6. Confidentiality and Ownership of Documents

- a. The Association acknowledges that the Regional District is subject to the *Freedom of Information and Protection of Privacy Act of British Columbia* and agrees to collect and disclose any of the personal information under this agreement in accordance with that Act.
- b. Without limiting the generality of the foregoing, the Association agrees to take steps to ensure that any information that is disclosed to it in confidence or as privileged information by the Regional District, or that come to its knowledge by reasons of the agreement, is treated as confidential, and in particular that records containing personal information, as defined under the *Freedom of Information and Protection of Privacy Act*, are protected from unauthorized access, use, disposal or further disclosure except as required or authorized by that Act or other applicable law.

IN WITNESS WHEREOF the Corporate Seal of)
 the **Sunshine Coast Regional District** was)
 hereunto affixed in the presence of:)


 _____)
 Dean McKinley, Chief Administrative Officer)

c/s


 _____)
 Tina Perreault, General Manager,)
 Corporate Services / Chief Financial Officer)

IN WITNESS WHEREOF the Corporate Seal of)
 the **Halfmoon Bay Community Association**)
 was hereunto affixed in the presence of:)

 Authorized Signatory)

c/s

 Terry Knight, President)


 _____)
 Authorized Signatory)

 Ian Gladman, Vice-President)

Appendix B – Required Information for Donation Tax Receipts

1. Cash Gifts must have the following:
 - Full name of donor, including the middle initial (where applicable)
 - Date the gift / donation was received
 - Amount of the donation
 - Full address including postal code (for receipt delivery)
 - Phone number
 - Donation description.

2. Non-cash gifts (gifts in kind) must also include the following:
 - Description of gift or service received
 - The amount of a non-cash gift must be its fair market value at the time the gift / donation was made
 - The name and address of the appraiser (if applicable).

Attachment B

Previous staff reports regarding Coopers Green Hall Replacement Project:

[March 23, 2017 CAS](#) – Annex C - Coopers Green Management Plan Update

[June 8, 2017 PCDC](#) – Annex A – Coopers Green Hall Replacement – Fundraising

[September 27, 2018 CAS](#) – Annex J – Coopers Green Hall Replacement Design – Mid-Project Update

[December 13, 2018 PCDC](#) – Annex D – Coopers Green Hall Capital Funding Plan

[July 23, 2020 CAS](#) – Annex H – Coopers Green Hall Investing in Canada Infrastructure Program (ICIP) Grant Results and Next Steps

[November 12, 2020 PCDC](#) – Annex F – Coopers Green Hall Public Consultation Process

[January 21, 2021 PCDC](#) – Annex B – Renewal of Memorandum of Understanding with Halfmoon Bay Community Association for Coopers Green Hall

[January 28, 2021 CAS](#) – Annex J - Coopers Green Hall Replacement Project – Professional Services Contract

[February 18, 2021 PCDC](#) – Annex B – Coopers Green Hall Replacement Project – Community Engagement Session Summary of Feedback.

[March 5, 2021 SPECIAL CAS R2 Budget](#) – Annex M – 2021 Round 2 Budget Proposal for [650] Community Parks – Coopers Green Hall Replacement Project

[Jun 24, 2021 CAS](#) – Annex H – Coopers Green Hall Replacement Project – Additional Project Information Implications

Attachment C

Sample Timeline for Alternative Approval Process for Coopers Green Hall Replacement Project

Date	Action
Nov 24, 2022	Draft Project Loan Authorization Bylaw for three readings
Nov 25, 2022	Bylaw forwarded to Ministry of Municipal Affairs and Housing for approval of the Inspector of Municipalities (approximate 8 week timeline for approval - by August 5)
Jan 26, 2023	Report to Board to affirm AAP, form and timeline
Feb 3, 2023	First Notice of AAP published
Feb 10, 2023	Second Notice of AAP published
Mar 13, 2023	Deadline for submission of AAP forms
Mar 23, 2023	Report on results of AAP
Mar 23, 2023	Adopt Loan Authorization Bylaw if elector approval obtained
Apr 22, 2023	Apply for Certificate of Approval (COA) following 30 day quashing period