DISTRICT OF SUMMERLAND

THE CORPORATION OF THE
DISTRICT OF SUMMERLAND
INFORMATION REPORT

DATE: August 8, 2023 FILE: 0810-01

TO: Graham Statt, Chief Administrative Officer

FROM: Lori Mullin, Director of Community Services

SUBJECT: Recreation Centre Referendum Communications Update

STAFF RECOMMENDATION:

That Council pass the following resolution:

> ***THAT the "Recreation Centre Referendum Communications Update" report from the Director of Community Services dated August 8, 2023, be received for information.***

STRATEGIC PRIORITY:

To Enhance Our Quality of Life

CULTURAL IMPACT STATEMENT:

Providing recreation facilities and amenities supports community vibrancy and a healthy and connected community.

PURPOSE:

To provide Council a communications update on the Recreation Centre Referendum.

DISCUSSION:

Staff are providing ongoing project updates at each Council meeting leading up to the Recreation Centre referendum as the communications plan gets refined and the roll out is implemented. The communication plan activities will take place over ten weeks and expected to begin the end of August through to the referendum date (still to be confirmed).

Staff are continuing to work with Christy Poirier to:

- finalize the Strategic Communications Plan
- update the project Fact Sheet and Frequently Asked Questions documents
- create a one-pager flat sheet
- build media releases, social media posts and advertisements
- create a schedule of activities, events and meetings/presentations
- plan open house opportunities
- regularly update the website and engagement platforms

The communication plan will have pre-planned scheduled opportunities but will also be flexible to include new activities and materials depending on public needs for information or to address questions that come up.

The campaign will include two social media posts each week (A *Question of the Week* on Mondays and a *Did You Know…?* on Wednesdays) as well as a weekly media release on Thursdays.

The videographer conducted Aquatic & Fitness Centre video footage and interviews between July 10-28 and has begun video editing. Expected deliverables are a two-minute short documentary video, a five-minute extended video, and six 20-30 second video clips.

The graphic designer is finalizing branded information for communication materials and incorporating the following style:

SUMMERLAND
Recreation
Centre
Referendum

DISTRICT OF SUMMERLAND

The project tagline has been set with “Our Community, Your Vote” and will be included in many of the communication materials.

Our Community, Your Vote

At the August 28 Council Meeting, staff will share more of the finalized communications materials.

BACKGROUND:

The Recreation Centre has been identified by Council as a priority project. The Parks & Recreation Master Plan community survey indicated that replacing this facility was one of the highest priorities for the community. At 47 years old, the existing Summerland Aquatic & Fitness Centre is at the end of its serviceable life which was confirmed by the 2018 Facility Condition Assessment Report.

Project timelines and milestones:



Staff have been updating project information on the District webpage www.summerland.ca/rec-centre with a link to the project engagement page.

LEGISLATION and POLICY:

- Part 4, *Local Government Act* (Assent Voting)

FINANCIAL IMPLICATIONS:

Reviewed by Financial Services:

Council will require the approval of the electors to borrow the funds needed for construction of this project. Council has previously directed that a referendum ("assent voting") be conducted to obtain this approval, in accordance with Part 4 of the *Local Government Act*.

To ensure the full amount of annual debt servicing costs are funded staff will create an Accumulated Reserve Loan account to internally borrow sufficient funds to pay annual debt servicing costs, in excess of the annual leveled parcel tax amount and annual taxation increases, from 2024 to 2027, with full repayment of the Accumulated Reserve Loan account by year end 2027.

Based on the indicative interest rate of 4.62% as of June 19, 2023, taxation increases of 3.76%, 3.77%, 3.77% and 3.76% will be required, in order to cover 50% of the estimated debt. **Should interest rates change during any of the four estimated debt draws throughout construction, the projected tax rate increases will need to be adjusted** (either up or down depending on how the interest rate moves) in order to ensure the appropriate amount is collected through taxation to cover off the actual debt payments.

Up to $100,000 is allocated in the 2023 capital plan for the Recreation Centre Project for consulting services, communication materials, and other related project expenses.

SUPPORTING DOCUMENTS:

1. Frequently Asked Questions document

2. Examples of branded templates

CONCLUSION:

Staff continue to complete project milestones working towards the goal of replacing the Summerland Aquatic & Fitness Centre which is nearing the end of its serviceable life and prepare for an upcoming referendum to determine public support.

OPTIONS:

1. Move the motion as recommended by staff.
2. Refer to staff for other options.

Respectfully submitted,

Lori Mullin
Director of Community Services

Endorsed by,

Graham Statt
Chief Administrative Officer

Presentation: Yes ☐ No ☒

DISTRICT OF SUMMERLAND

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Summerland Recreation Centre | Frequently Asked Questions

Updated August 1, 2023

Why is a new Recreation Centre being recommended?

The Summerland Aquatic & Fitness Centre is at end-of-life. The original facility was constructed in 1976, when Summerland's population was approximately half of what it is today. Offices were added to the facility in 1988, and a larger fitness centre was built in 1996.

Based on a Facility Condition Assessment that was completed in 2018, all major building mechanical, electrical and pool systems have exceeded their expected usable life. Most of the building envelope is in poor condition with significant air and water leakage and potential for mold. The facility is consuming approximately 86% more energy per unit of floor area than the average swimming pool. The facility does not have fully accessible, universal, family or gender-neutral change rooms.

Additionally, the current facility is experiencing the following ongoing issues:

- Termites that compromise the structure of the building
- Ant and rodent infestations
- A leaky roof that requires major repair
- Hot tub failures
- Instability of the main pool structure
- Inability to source facility replacement parts due to antiquated electrical, plumbing, and pool systems

Most aquatic programs are at maximum capacity with long waitlists. Due to the current size of the aquatic centre, only one activity may take place at a time. This results in current demands not being met for public sessions, programs, swim clubs, and rental requests.

Based on a community survey that was completed for the 2018 Parks & Recreation Master Plan, the community indicated replacing the current facility was one of the highest priorities for residents. The 2018 Facility Condition Assessment report also recommends constructing a new facility that is 50% larger than the current facility to meet demands, now and in the coming years.

Why is there a referendum on this issue?

The Province of British Columbia requires public approval of long-term borrowing. The District of Summerland is asking the public to approve borrowing up to $50 million to plan, design and construct a new multi-purpose recreation centre, which includes an aquatic centre, fitness centre, universal change rooms, and two multi-purpose rooms. The facility would be located at **8820 Jubilee Road East alongside the Summerland Arena & Curling Club.**

Can the current Summerland Aquatic & Fitness Centre be renovated?

All major building mechanical, electrical and pool systems have exceeded their expected usable life. Most of the building envelope is in poor condition with significant air and water leakage and potential for mold. The facility is consuming approximately 86% more energy per unit of floor area than the average swimming pool. The facility does not have modern fully accessible, universal, family or gender-neutral change rooms (some building adaptations have been made to address these needs, however they are not ideal).

The facility is experiencing ongoing issues which include termites that compromise the structure of the building, ant and rodent infestations, leaking roof that requires major repair, hot tub failures, instability of main pool structure, inability to source facility replacement parts due to antiquated electrical, plumbing and pool systems.

The 2018 Facility Condition Assessment did review the option for building renovation however it was not recommended. The Report recommends rebuilding the facility on a new site and adding 50% to meet current and future demands and to address the physical and programmatic deficiencies without interruption of the current services to the community.

What amenities are included in the proposed facility?

The proposed Recreation Centre includes the following amenities:

- Six-lane, 25m lap pool, leisure pool, hot tub, steam or sauna room
- Modern change rooms including fully accessible and family/universal change room
- Fitness Centre
- Fitness/activity multi-purpose room
- Youth/family multi-purpose room
- Lobby, pool viewing, reception, administration offices, storage

The new facility is proposed to include an additional 10,890 net square feet to accommodate the population growth* in Summerland since 1976 (when the current facility was first built) and to meet future growth needs.

The additional space allows for a small leisure pool, two multi-purpose recreation program rooms, and larger accessible change rooms.

**Summerland's population has nearly doubled since the Aquatic & Fitness Centre was first constructed.*

How was the size of the proposed Recreation Centre determined?

The size of the proposed facility – and the amenities within it – were determined based on Summerland's growth in population* since 1976, the amount and type of sport and recreation programming residents are seeking, and extensive public consultation that took place during the 2021 Needs Assessment. During the 2021 Needs Assessment, the community advocated for the minimum/priority (core) spaces in a new recreation facility to include:

- six-lane, 25m lap pool
- leisure pool
- hot tub
- universal change rooms

- fitness centre
- multipurpose fitness/activity classroom
- youth/family multipurpose program room
- and access to a gymnasium.

Other facility enhancements were explored, but were considered "secondary" priorities to the community, and therefore they were not included in the proposed project scope. These included: an eight-lane competition pool (additional two lanes), a child care centre, gymnasium, health centre, and tennis centre. Other ideas such as a walking track and additional programming spaces were not included to keep the size, scope and cost of the project lower.

**Summerland's population has nearly doubled since the Aquatic & Fitness Centre was first constructed.*

Why build a new pool when Summerland residents can use the pool in Penticton?

There is currently limited registration available for non-residents and many programs are difficult to access. Without a pool or recreation centre, Summerland residents would be reliant on other communities to provide recreation services, including swimming lessons and other fitness programs, such as aquatic rehabilitation (Recope). Transportation limitations are an issue for many Summerland residents especially for those with limited income and with mobility issues.

Is there an anticipated increase in use of the proposed Recreation Centre?

The Summerland Aquatic & Fitness Centre puts a priority on swimming lessons to ensure children in our community are safer around our surrounding lakes. Because more of the Aquatic Centre's available water and pool time is dedicated to swimming lessons, as well as Recope (rehabilitation program) and swim club, the ability to offer other public swimming time is limited.

If electors vote in favour of the referendum question, the new aquatic centre will include a 6-lane 25m pool, as well as a new leisure pool, offering the ability to have multiple programs happening at the same time throughout the day (such as swim lessons *and* public swimming), rather than having to choose to offer just one. Because of the ability to offer multiple programs simultaneously, it's anticipated that attendance would increase.

What is the estimated cost to build a new Recreation Centre?

The current project cost estimate (November 2022) has been calculated at $48,981,394. At the May 15, 2023 Council Meeting, Council reviewed options around referendum timelines and borrowing amounts and passed a resolution to direct staff to conduct a Fall 2023 referendum for the Recreation Centre project for borrowing up to $50 million. $50 million is the core construction project costs plus an additional project contingency of $1 million for any unforeseen expenses or delays. The $50 million does not include additional funding to build a net-zero building (which will be considered only if grant funding becomes available), nor does it include any future costs associated with deconstruction of the existing facility.

The District has applied for a $25 million grant through the Green & Inclusive Community Buildings (GICB) program to obtain funding to construct a net-zero carbon building. While the overall project cost estimate would increase by $8,531,548 to incorporate net-zero building components, with the GICB

grant funding of $25 million, the overall project costs would be reduced to approximately $32.5 million. No timeline has been identified when the GICB grant announcements will be made.

How much would a new Recreation Centre cost the average tax payer?

At the June 5, 2023 Council Meeting, Council directed staff, upon electoral assent, to include the expenditure to pay debt servicing costs for the Recreation Centre project through a 50% parcel tax and a 50% property taxation increase.

At the June 26, 2023 Council Meeting, Council made a resolution that the Loan Authorization (Recreation Centre) Bylaw No. 2023-016 receive first, second and third reading. To ensure the full amount of annual debt servicing costs are funded staff would create an Accumulated Reserve Loan account to internally borrow sufficient funds to pay annual debt servicing costs, in excess of the annual leveled parcel tax amount and annual taxation increases, from 2024 to 2027, with full repayment of the Accumulated Reserve Loan account by year end 2027.

Based on the indicative interest rate of 4.62% as of June 19, 2023, taxation increases of 3.76%, 3.77%, 3.77% and 3.76% would be needed in order to cover 50% of the estimated debt. The other half of the debt would be covered through a leveled parcel tax. **Should interest rates change during any of the four estimated debt draws throughout construction, the projected tax rate increases would need to be adjusted (either up or down depending on how the interest rate moves) in order to ensure the appropriate amount is collected through taxation to cover off the actual debt payments**.

This would equate to the following **estimated** annual increases for the below noted assessed homes:

	Tax Rate Leveling & 50% Parcel Tax Leveling Estimated Annual Tax Increases				
	2024	**2025**	**2026**	**2027**	**Total**
Assessed Value - $ 600,000	114.17	116.00	117.74	119.41	**467.34**
Assessed Value - $ 899,173	136.23	138.97	141.57	144.08	**560.87**
Assessed Value - $1,100,000	151.03	154.39	157.57	160.64	**623.65**

How would the project cost be impacted if the project is delayed?

The current project cost already budgets for an escalation rate of 14% which reflects a late third quarter 2024 construction tender date and construction completed by the end of 2026. It is anticipated with a Fall 2023 referendum, these timelines can be met.

Why build a new facility adjacent to the Summerland Arena & Curling Club?

Based on extensive public consultation, the preferred site for the proposed Recreation Centre is adjacent to the Summerland Arena & Curling Club. The primary reason people chose this site was the desire to avoid an interruption to service during construction.

By building a new facility adjacent to the arena, the District can realize cost savings and increased energy efficiencies by taking advantage of heat recapture technology; using the heat loss from the arena to assist in heating the Recreation Centre.

Building a new facility adjacent to the Summerland Arena also helps create a sports and recreation "complex" with the Arena and Curling Club, helping families take part in multiple sports and activities at one in a centralized location.

Will grants be sought and to what extent?

Yes, major grant opportunities are being explored to help reduce the overall cost of the project. Grant availability is subject to change and is often a matter of timing. Grant approvals are at the discretion of the particular grant administrator.

Recently, the District of Summerland applied for a grant of up to $25 million through the Green & Inclusive Community Buildings (GICB) program to obtain funding to construct a *net-zero carbon building*. While the overall project cost estimate would increase by $8,531,548 to incorporate net-zero building components, with the GICB grant funding of $25 million, the overall project costs would be reduced to approximately $32.5 million. No timeline has been identified when the GICB grant announcements will be made.

What is a net-zero carbon building?

A net-zero building is one that at the end of construction can produce energy onsite or procures carbon-free renewable energy that offsets the annual carbon emissions of that building, its materials and operation. A net-zero-carbon-ready building is one that has been designed and built to net-zero carbon standards but the renewable energy system has not yet been installed. A net-zero building reduces the long-term facility operating costs through water conservation and reduced heat and power costs. At the capital outlay stage, net-zero construction would require additional capital investment, but it can save considerable money over the next several decades.

Why is the District considering a net-zero carbon Recreation Centre?

It is the goal of the District of Summerland to be a leader in sustainability and responsible development. The proposed facility design already includes features that would achieve a LEED Silver certification, supporting the conservation of water. With the emergence of the GICB Grant program, the opportunity presented itself to take the design to the next level, by achieving a net-zero standard which results in a substantial reduction in electricity and gas consumption as well, over the long term. A net zero standard requires additional up front capital costs which are beyond the District's current budget for the project; therefore, we are hopeful for the GICB Grant which would offset any of these up front capital costs.

What are the project construction cost implications with a net-zero carbon building?

The total costs for the net-zero carbon components are $8,531,548 which includes design allowances and construction contingency. With the GICB grant funding of $25 million, the overall project costs would be reduced to approximately $32.5 million. This option will only proceed if the District of Summerland is successful in receiving the GICB grant funding and if electors vote in favour of the referendum question.

Can the proposed Summerland Recreation Centre project achieve a net-zero carbon standard?

Yes, the consultants engaged to review sustainability design and construction options for the Summerland Recreation Centre project have confirmed that a net-zero carbon building can be achieved through the integration of rooftop solar photovoltaics, rooftop solar thermal, geoexchange ground heat exchanger system, and heat reclamation from the adjacent arena facility.

What are the potential annual operational energy savings if the District can build a net-zero carbon Recreation Centre?

Substantial energy savings are gained through the modern construction of a new facility alone, but if we go beyond basic construction standards for a new building the operating costs are lowered even more. For example, if the District is able to build a net-zero facility, it is estimated the savings would be approximately $140,000 in the first year of operation, in comparison to its current energy bill rates. By 2030, savings jump to approximately $170,000 annually just based on carbon tax increases; this is not considering any rise in actual energy costs, which are also expected.

What will happen if electors vote in favour of the referendum question?

If electors vote in favour of the referendum question, the planning and design process for a new Recreation Centre is expected to begin immediately after the referendum, with construction to begin in 2025, and an anticipated completion in 2026.

The District will need to continue conversations with School District 67 about what to do with the current Aquatic & Fitness Centre and the property on which it sits. The property is owned by the School District.

What happens if electors vote against the referendum question?

If electors vote against the referendum question, the Summerland Aquatic & Fitness Centre will remain in its current size and configuration and will continue to be maintained on a regular maintenance schedule. Issues from aging infrastructure will be addressed as best as reasonably possible when they arise. The same type and number of aquatic programs that are offered today will continue as there is no ability to expand aquatic program capacity.

It is fully expected that components of the facility will eventually fail beyond repair and the facility will have to close permanently.

Without a replacement facility, Summerland would eventually be left without an aquatic and recreation facility, ending school programs, swim lessons, competitive teams, rehabilitation, and aquatic fitness programs for residents of all ages.

How do I know if I'm eligible to vote in the referendum?

RESIDENTS

You can vote in a referendum in Summerland if you meet **all** the following criteria. A resident elector must:

- be 18 years of age or older on general voting day;
- be a Canadian citizen;

- have been a resident of British Columbia for at least six months before registering to vote;
- have been a resident of the jurisdiction in which they intend to vote for at least 30 days before registering to vote; and,
- not be disqualified under the *Local Government Act* or any other enactment from voting in a local election, or be otherwise disqualified by law.

NON-RESIDENTS

You must provide proof of ownership of the property for which you are voting and you meet **all** of the following requirements. A non-resident property elector must:

- be 18 years of age or older on general voting day;
- be a Canadian citizen;
- have been a resident of British Columbia for at least six months before registering to vote;
- have owned property in the jurisdiction in which they intend to vote for at least 30 days before registering to vote; and,
- not be disqualified under the *Local Government Act* or any other enactment from voting in a local election, or be otherwise disqualified by law.

If there is more than one person on title for the property, you must provide written permission from the majority of property owners authorizing you as the sole individual to vote for that property.

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INFORMATION CARD template (business card size)

Front:



Back:



SOCIAL MEDIA POST template (Question of the Week)

