



Title: Canada Summer Games Update
Report Number: PWCS2019-36
Meeting Date: Tuesday, May 21, 2019
Report Prepared: Friday, May 10, 2019

RECOMMENDATION(S):

1. That Council approve, in principle, a commitment to the Canada Summer Games Host Society and other prospective capital/operating partners to pursue the establishment of the Canada Games Facility.
2. That Council commit an expenditure \$5 million to the new facility and an additional \$2 million towards required servicing infrastructure (\$7 million max.) for its share the project Capital costs subject to the following three (3) pre-conditions:
 - a) Funding commitments are confirmed, by upper levels of government and other partners, to fully fund the capital cost of the Games and;
 - b) Partnership commitments are confirmed from the City of St Catharines, Niagara Region, Brock University and Canada Summer Games Host Society and;
 - c) An Operating Model and Partnership Agreement for the new facility be prepared for the consideration and approval by Thorold City Council.

REPORT:

On Tuesday September 4th, 2018 (as per Report PWCS2018-45, Appendix A) Council authorized staff to continue discussions with various partners for construction and post-event operation of the proposed 2021 Canada Games Facility. At its meeting on April 2nd, 2019, Council provided further direction in support of the project subject to further clarification of the Capital and Operational costs relevant to the project. (Report PWCS2019-22 Appendix B).

To date, we have developed the following Capital cost framework for the project;

Canada Games Park ,
Henley & Other CSG
Projects

Total Project Cost	\$98,822,571
Federal* Contribution	\$49,411,286
Provincial Contribution	\$3,000,000
Brock <i>in-kind contribution</i> (net of Land)	\$4,000,000
CSG <i>Sponsorship</i>	\$6,500,000
LAM - other facility improvement Contributions	\$874,500
Thorold Contribution*: (excl. Land Servicing Costs \$2m)	\$5,000,000
St Catharines Contribution*	\$10,000,000
Niagara Region Upfront Contribution	\$3,000,000
Niagara Region Pre-Approved Legacy Contribution	\$3,350,000
Niagara Region Deficit Funding Request	\$13,686,786

* pending approval and confirmation of funding

Integral to this decision is the future annual operating costs of the facility. The Operating Model is still in the developmental stage and will require further discussions with the operating partners. To assist in this regard the consulting firm PWC was engaged to by the Canada Game Host Society. We are expecting the results of their review shortly.

The facility will include a wide variety of athletic and amenity spaces including two ice pads. By adding two additional ice pads in 2021 the City can advance discussions regarding the need to replace or re-purpose the James Whyte Arena. Recent reports and building condition assessments indicate that an investment of \$6.1 million will be required in the next 5 years in order to keep this facility in a state of good repair. Estimates to replace this arena are in the \$13-18 million range depending on the amenities included.

Staff will review the PWC report outlining required contributions for Life Cycle Replacement, Operating Margins and Debenture. This will be an additional report to Council.

BUDGETARY STATUS:

Commitment to this project will require funding from a number of sources. For the purpose of this analysis it is expected that the City's funding for the facility will be allocated as follows;

- Development Charges \$2 million (as per new DC By-Law)
- Debenture \$3 million (\$192k annually over 25 yrs.)

*Final funding of this project will be determined upon project completion (2021)

The infrastructure component requires the oversizing/replacement of the existing sanitary sewer on Schmon Parkway and looping the watermain on the east side of Merrittville Hwy. Funding for this component can be allocated from;

- Development Charges \$1.1 million (as per Brock Bus. DC By-Law)
- Water/Sewer Reserve \$0.9 million (as per new DC By-Law)

STRATEGIC PLAN:

N/A

CANADIAN CONTENT:

N/A

ATTACHMENTS:

Appendix A – Report PWCS2018-45

Appendix B – Report PWCS2029-22

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