

 COBOURG	THE CORPORATION OF THE TOWN OF COBOURG	
	STAFF REPORT	
TO:	Mayor and Council	
FROM:	Stephen Peacock, CAO Dean A. Hustwick, Director of Recreation and Culture	
DATE OF MEETING:	August 21, 2017	
TITLE / SUBJECT:	Staff Final Report on the YMCA/CCC Project Coordinating Committee	
REPORT DATE:	August 18, 2017	File #:

1.0 **STRATEGIC PLAN**

Strategic Action 5.5 - Work collaboratively across municipal borders to create efficiencies in all operating areas.

2.0 **PUBLIC ENGAGEMENT**

Considerable public engagement has occurred throughout this project, which is closely related to the development of the Town's Recreation Strategy and Implementation Plan:

- May 2015 - Council approves Project Coordinating Committee (PCC) operating Memorandum of Understanding (MOU)
- February to April 2016 - citizen survey conducted on recreation needs (530 general responses, 275 senior-targeted responses and 41 youth surveys)
- March 2016 - Public Open House/Workshop on recreation needs
- June/July 2016 – PCC progress report and recommended next steps presented and approved by Council
- October 2016 – Public Meeting on preliminary recommendations on recreation needs
- December 2016 – Consultants present to Council the final *Recreation Strategy and Implementation Plan*
- February 2017 – Consultants present to the PCC their *CCC and YMCA Northumberland Joint Facility Needs Assessment*
- August 2017 – Town staff final report to Council on the PCC

3.0 **RECOMMENDATION**

THAT Council accept this report and the attached documentation for information purposes;

AND FURTHER THAT Council authorize the Mayor and Clerk to execute the proposed Memorandum of Understanding with the YMCA that facilitates greater collaboration between the two organizations on programming and on the construction and/or refurbishment of the YMCA's facility, and provides a financial commitment that will be conditional upon further Council consideration and approval.

4.0 **ORIGIN**

In March 2015, YMCA Northumberland (YMCA) carried out a YMCA Centre Development Analysis which considered six different options to address their long-term facility needs (Section 3.4 MHBC Study). Based on its internal evaluation, the YMCA concluded that the best option was to further investigate a partnership with the Town of Cobourg to build a new YMCA Centre as an extension of the CCC, which would replace the existing YMCA facility on Elgin Street.

In April 2015, unanimous support was received from Town Council and the YMCA Northumberland's Board of Directors to investigate the recreational needs of Cobourg's citizens in the future, including the feasibility of building and operating a YMCA Centre at the site of the CCC.

Subsequently, a Project Co-ordinating Committee (PCC) was formed to guide the process. Due to the timespan of the Committee, membership has varied and included the following:

YMCA Beth Selby - board member; Co-Chair PCC Committee
Boris Nikolovsky - board member
Ron Kerr - board member
Bill Lee - board member
Mark Galonski - board member
Eunice Kirkpatrick - staff
Mike Bunn - staff
Madelyn Maillet - staff

Town Gil Brocanier – Mayor; Co-Chair PCC Committee
Theresa Rickerby - Councillor
Brian Darling - Councillor
Stephen Peacock - staff
Bill Watson - staff
Dean Hustwick - staff
Kara Euale - staff
Ashley Purdy - staff

The mandate of the committee was to investigate the feasibility of a possible joint facility at the CCC through the construction of a new YMCA complex to replace its existing aging facility on Elgin Street in Cobourg. This process was to be based on input from recreation facility users, citizens, the YMCA staff and board and Town staff and Council.

This report is the culmination of the work by the PCC.

5.0 **BACKGROUND**

In recent years, there have been a number of agreements between the Town and YMCA. The most recent agreement from May 2011 outlines the terms of cooperation regarding the development and operation of recreation facilities, including the transfer of land ownership from the Town to the YMCA for the property on Elgin Street.

The establishment of the PCC in 2015 initiated efforts to identify a possible new partnership based at the CCC site. Throughout the summer and fall of 2015, the PCC met to better understand the mandates, operational models and existing and future needs and requirements of both the YMCA and the Town. Background information was compiled and the PCC undertook a learning process to position itself to undertake this complex review.

At its meeting on October 13, 2015, the PCC agreed that the next logical step in the investigation into the feasibility of a possible new partnership was to hear from the citizens of Cobourg, YMCA members, staff and volunteers, CCC users, staff and volunteers and Town staff. To this end, an online survey was used to actively engage the community. This survey was incorporated into a larger effort to analyze Cobourg's current and future recreational needs. The Committee purposely went to the community as part of an initial Exploration Phase to determine potential next steps.

On June 13, 2016, the Town's Committee of the Whole considered a Memo from the Chief Administrative Officer regarding a Status Report of the PCC. That Memo explained the results of the online survey which indicated that there was community support to continue the investigation:

- Majority of persons surveyed felt that there could be benefits of a joint facility (55%), which would reduce duplication and create a one-stop recreation facility for whole families;
- The vast majority of respondents believed that an aquatics centre was the greatest opportunity for partnership (73%);
- Some respondents did not want to participate in an all-inclusive membership model like the one used by the YMCA;
- Respondents identified the following issues with a joint facility that would need to be addressed: programming, payment options (membership vs pay-per-use), parking, traffic and costs.

On June 20, 2016, Council endorsed the recommendation of the PCC and the YMCA board in support of the next phase of the review process, namely the completion of a formal Feasibility Study based on the PCC's new Project Plan and specifically a Phase II Needs Assessment. The purpose of a Needs Assessment was to assist the Town of Cobourg and YMCA Northumberland to determine whether a new YMCA facility located on the grounds of the CCC makes sense and warrants further investigation and investment to help meet the future needs of the community.

At its July 18, 2016, meeting, the costs of the Needs Assessment were presented to Council, which authorized cost-sharing, to a maximum of \$15,000 each, for a Phase II Needs Assessment regarding the feasibility of a partnership between the YMCA and the Town at the CCC.

MHBC, a planning, urban design and landscape architecture firm, and Raymond Consulting, were hired to assist with the Needs Assessment as they were already engaged by the Town to develop a new Recreation Strategy and Implementation Plan. This Phase of the project was based on background research, trend analysis, public consultation and input from staff and stakeholder groups. The specific objectives included:

- *Build on current studies, complete a review and analysis of the current needs and capacities of YMCA Northumberland and the CCC to support current and future community programming;*
- *Analyze and review projected population trends within the catchment area of the YMCA and CCC in order to determine the facility and resource needs of the community;*
- *Engage residents and agency and stakeholder groups in the community to assist in identifying future recreational and programming needs of the community; current gaps in the system; facility improvement needs; and opportunities for a joint-YMCA/CCC facility; and*
- *Prepare recommendations for the Town and the YMCA respecting the needs for a combined YMCA facility on the CCC Campus.*

During this phase, site visits were conducted of facilities jointly operated by municipalities and the YMCA while public engagement included public forums, questionnaires and one-on-one meetings. General design requirements were identified of a potential new facility that align with community needs while possible sources of funding were also investigated by the PCC through discussions with upper tier governments.

Since the committee's inception in April of 2015, there were 25 meetings of the PCC, a public survey, 2 public meetings and numerous presentations to Council and the YMCA Board of Directors.

In February 2017, the consultants presented to the PCC their report called *Cobourg Community Centre and YMCA Northumberland Joint Facility Needs Assessment*. The report, which is attached to this memo, provides the following conclusions:

- *Based on the public input and stakeholder process along with a review of all recent background studies, it is concluded that a new indoor aquatic centre and associated amenities would deliver a wide range of benefits to the community and is an extremely desirable part of any municipality's recreation infrastructure.*
- *Our assessment indicates that the most significant recreational facility need in the Cobourg area is an aquatic centre and related amenities such as multi-purpose rooms and a fitness/conditioning centre.*
- *It is also further concluded that given the projected population base and future demographic changes of the geographic area the development of an aquatic facility solely by the Town or the replacement of the existing YMCA facility at the current YMCA site would not be recommended and that two indoor aquatic facilities in the Town of Cobourg would not be sustainable nor practical from a future operational perspective.*
- *As a result, a partnership between the YMCA and the Town (based on current best practices and national and Ontario trends) is considered the most viable option for future success, sustainability and ultimately self-sufficiency.*
- *Aquatic centres are very expensive to build and operate...While financial projections in the absence of a feasibility study are speculative, it is possible to conclude that the minimum capital cost for an indoor aquatic centre...would be in the range of \$25 million.*
- *Our assessment process indicates that the current YMCA is near the end of its life cycle and if a decision were made to invest into its repurposing and or expansion to accommodate current and future growth it would be extremely challenging...this approach would be the least viable for long term sustainability.*
- *Based on our analysis, it is our opinion that there is merit for the Town and the YMCA to proceed to the next step of the feasibility study process including...a more detailed assessment of the site along with building considerations, capital costs, funding sources, staffing and operations.*

6.0 ANALYSIS

While the results of the public engagement and the consultant's Needs Assessment were quite positive, the PCC identified two specific subject areas that required further careful consideration before determining whether the project should move to the next phase in the Feasibility Study:

- **Operations** – differences in operating models between the two organizations:
 - YMCA uses an all-inclusive monthly membership model while the CCC uses a fee-for-service approach
 - The YMCA is a non-unionized environment with a heavy dependence on volunteers while the Town is unionized (significant difference in pay scales)

- o YMCA facilities are required to be accessible during all operating hours while the CCC is often converted to single-use for major sport tourism events (regularly occurring classes and other uses are rescheduled)

PCC Assessment: Based on a review of other municipalities, the PCC believes that these operational issues could be addressed through:

- ✓ a transition period to a full membership model or the use of a hybrid system that incorporates modern technologies and differentiated job responsibilities
 - ✓ additional space added to the facility footprint to allow the exclusive use of the CCC facilities for major events, which would add considerably to the project costs
- **Capital Costs** – the cost of constructing a 40,000 to 60,000 square foot addition to the CCC to accommodate YMCA activities, particularly a modern and innovative aquatic centre, was estimated to be at least \$16 million and as high as \$25 million or more, depending on the design and features (not including additional space requirements to maintain the CCC's ability to host major sporting events without interrupting regular YMCA programming). This price tag would be considerably higher than the \$12-14 million originally envisioned for a new facility.

PCC Assessment: This amount of capital outlay would only be possible through major contributions from Provincial and Federal funding programs. Through discussions with both levels of government it was learned that 1/3 funding for a project of this scope (\$16-25 million) was highly unlikely for the foreseeable future, although a project with a more modest cost could be possible.

8.0 CONCLUSION

In summary, it is clear that the existing YMCA facilities require significant improvement and expansion to meet existing and future community service needs and expectations. An expansion of the CCC to include a new, modern joint-facility with the YMCA would certainly address these gaps while expected operational issues of joint occupation between the two organizations could be addressed through appropriate planning.

However, in light of the preliminary cost estimates of such an expansion in the \$16-25 million range, the associated heavy financial burden, particularly on Cobourg taxpayers, including the expected challenges to acquire 1/3rd funding from both the provincial and federal governments, the PCC has concluded that this is not the right time or the appropriate fiscal environment to proceed with a joint facility at the CCC.

Therefore, the PCC is recommending a compromise position to be considered by both Town Council and the YMCA board. This draft proposal has been incorporated into a new draft Memorandum of Understanding (attached to this memo) with the following considerations:

- A new and improved aquatic centre is desirable and needed.
- The YMCA and the Town have mutually concluded that at the present time it is in the interest of the community that the YMCA refurbish and expand its current location at 339 Elgin Street West, Cobourg.
- Due to funding challenges, and despite the expected design challenges, an improved and refurbished YMCA at its existing location that includes expanded indoor aquatic facilities, would be in the best interests of the community at this time.
- The YMCA and the Town should work in collaboration to improve the effective use of resources, through the formation of a joint YMCA - CCC staff co-ordinating committee.
- The YMCA has estimated that an expansion and refurbishment of its existing facility would likely cost in the neighbourhood of \$8 million dollars, although this will depend on many variables and will need to be verified through adequate planning. The YMCA is asking the Town to conditionally commit to a total project capital contribution for the YMCA refurbishment and expansion of its existing facility of one million dollars (\$1,000,000) in return for the facility to be accessible to Town citizens in a manner that is satisfactory to the Town.
- The Town will assist the YMCA with the expansion and refurbishment project.
- Due to the conclusion that more than one indoor aquatic facility is not currently sustainable within Cobourg, the Town shall commit not to build or allow the building of indoor aquatic facilities at the CCC or other Town properties without completion of a needs assessment and partner impact study with the YMCA as an active partner in the process.

Approved by	Department	Signature
Stephen Peacock, P.Eng	CAO	