



PORT COLBORNE

Subject: Waterfront Centre – Project Update

To: Council

From: Chief Administrative Office

Report Number: 2022-37

Meeting Date: March 22, 2022

Recommendation:

That Chief Administrative Office Report 2022-37 be received for information.

Purpose:

The purpose of this report is to update Council on the status of the Waterfront Centre project and to outline the financing strategy.

Background:

In early 2021, the City formed a project team to focus on site redevelopment options for the former Public Works yard located at King and Sugarloaf Streets. A consensus was reached among the project team that the redevelopment plan should align with the City's key priorities of waterfront revitalization, improving community culture, and increasing economic activity — as found in the City's 2020-2023 Strategic Plan and 2018-2028 Economic Development Strategy. The project team then began to work with a highly experienced landscape architect on a site-specific design for this area as well as the concept for a waterfront centre that would sit next to the Welland Canal and be surrounded by related infrastructure such as walkways, a parking lot, lighting, perimeter fencing and gates, landscaping, and wayfinding signage.

This project is part of a broader vision for waterfront redevelopment that focuses on improving public access to the waterfront, creating new public spaces that bring residents and visitors together, generating increased economic activity, tourism and new jobs, and attracting commercial investment and residential development. The City's focus on waterfront redevelopment also aligns with various federal and provincial funding programs that support strategic economic and tourism infrastructure, tourism

development, and new cultural and recreational spaces. To this end, staff have submitted funding applications to various federal and provincial programs to secure capital contributions for the project. To date, the response staff received has been very positive and approval decisions are expected in the coming weeks.

Discussion:

The City's project team developed and issued an RFP in December to retain an architecture and engineering firm to assist with site redevelopment and detailed design and drawings. This RFP closed on February 4, 2022 and the project team is evaluating proposals and preparing to present a recommendation to Council at the April 12, 2022 meeting. The selected architecture and engineering firm will sub-contract an independent consultant to cost out and verify estimates for the project prior to a construction tender being issued in Q4 2022.

During 2022 budget discussions, staff indicated that, based on a high-level opinion of probable costs provided by R.J. Burnside & Associates and updated by City staff, the estimated cost of the waterfront centre would be approximately \$5 million.

This estimate includes construction of the waterfront centre building (at approximately 8000 sq. ft.), architectural and engineering fees, servicing, signage, landscaping and beautification, public washrooms, walkways and improved accessibility, lighting, paving, a project contingency, as well as required gates and fencing to comply with Transport Canada and marine transportation security regulations.

While staff are committed to working closely with the selected architecture and engineering firm to keep the project on budget, it is recommended that the budget be increased to \$5.6 million to account for inflation, which is impacting the cost of construction materials. An increase to the project's contingency is also warranted to help manage any unexpected or unforeseen costs related to site redevelopment and construction.

A more thorough and accurate cost estimate will be available in Q2/Q3 2022 once architectural drawings and detailed design, as well as a site servicing plan, have been finalized and independently verified by a cost consultant retained by the selected architecture and engineering firm.

Internal Consultations:

A cross-divisional team from Economic Development and Tourism Services, Corporate Services, Purchasing, and Public Works are working together with assistance from the City's consulting engineers at CIMA+.

Financial Implications:

Staff have finalized a waterfront centre project capital financing strategy (see Appendix A) that minimizes the impact on the City's levy budget. The architecture and engineering firm's cost consultant will develop and verify a cost estimate once the detailed design and drawings are nearly complete. Keeping this project on budget is important and can be accomplished through proper oversight. This was acknowledged by many of the firms that submitted project proposals.

Staff have also drafted a preliminary operating budget (see Appendix A) for the building based on current operating costs for other City facilities as well as potential public and private sector revenue sources.

Public Engagement:

Economic Development and Tourism Services issued a project update last fall to the Downtown BIA, Main Street BIA, and the Port Colborne-Wainfleet Chamber of Commerce. City staff, along with one of the City's consultants from Lakeshore Excursions, will be meeting with business owners and stakeholders regarding the City's cruise ship initiative.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillars of the strategic plan:

- Attracting Business Investment and Tourists to Port Colborne
 - City-Wide Investments in Infrastructure and Recreational/Cultural Spaces
 - Governance: Communications, Engagement, and Decision-Making
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Conclusion:

The construction of a waterfront centre is a new strategic investment by the City of Port Colborne in its waterfront, community, and economy. A cross-divisional City project team is committed to ensuring that project costs for the waterfront centre do not impact the City's levy budget.

A capital financing strategy has been developed that includes federal and provincial funding, proceeds from lands sales, private sector naming rights, and a debenture that will be financed from a Municipal Accommodation Tax which can be utilized to generate

revenue for tourism infrastructure and development. An operating budget has also been drafted, and City staff will work to refine cost estimates as well as identify any potential revenue sources, including commercial lease opportunities.

A report and recommendation regarding an architecture and engineering firm will be coming to the April 12th Council meeting. Once the firm has been selected, the City's project team will be working closely with them to keep the project on track and on budget with an anticipated opening of Q2 2024.

Appendices:

- a. Waterfront Centre – Capital Financing Strategy & Draft Operating Budget

Respectfully submitted,

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.