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Parks and Recreation Draft Capital Plan

Report Number: 2024-40

Department(s): Parks & Facility Services, Recreation & Culture Services, Engineering Services, Public Works Services and Financial Services

Author(s): Jeff Payne, Commissioner, Community Services and Peter Noehammer, Commissioner, Development & Infrastructure Services

Meeting Date: June 17, 2024

Recommendations

1. That the report entitled Parks and Recreation Draft Capital Plan dated June 17, 2024, be received; and,
2. That Staff undertake consultation regarding the Parks and Recreation Draft Capital Plan, as presented, with key stakeholders and user groups; and,
3. That staff report back with a final draft of the Parks and Recreation Capital Plan, after consultation has been undertaken, for Council review and approval; and,
4. That Staff continue to advance individual projects for approval through the annual budget process, or under separate report, as appropriate; and,
5. That Staff ensure that any new project is only added to the Parks and Recreation Capital Plan having the support of Council.

Purpose

The purpose of this report is to update Council on the Parks and Recreation Draft Capital Plan (the Capital Plan) development process to date. The Capital Plan serves to identify a list of proposed parks and recreation projects that will be delivered over the next 10 years. The list set out in this report was developed by staff based on many inputs and considerations that are detailed in this report. At this point in the process Staff are seeking support from Council for the next steps:

Step 1 – Staff created the list of parks and recreation capital projects to be delivered over the next 10 years (set out in this report/presentation).

Step 2 – Staff to undertake consultation with key stakeholders and user groups regarding the Capital Plan as drafted (to be completed by the end of 2024).

Step 3 – Staff report back to Council with a final draft of the Capital Plan for review and approval (early in 2025).

Step 4 – The approval of each individual project will occur through the annual budget process, or by a separate report as appropriate, as each project is initiated (ongoing and current practice).

It is important to note that some of the projects identified in the Capital Plan have already been approved by Council, they are listed to ensure a complete picture of both works in progress and planned works are presented to Council.

This report also identifies a few projects that are beyond the 10-year planning horizon of the Capital Plan. These are presented for awareness of future capital needs, as these projects are not yet prioritized formally within the Capital Plan.

The final approval by Council in 2025 of the Parks and Recreation Capital Plan will give staff certainty and allow for planning and staging of capital works based on funding, staff capacity, determination of project scope and the timing and/or sequencing of projects.

Background

The Town does undertake capital planning on an ongoing basis through various means including:

- Council Strategic Priorities;
- Annual Budget Process;
- Asset Management Planning;
- Official Plan;
- Departmental Plans (examples include: Recreation Playbook, Active Transportation Plan); and
- Annual Departmental Workplans.

It is important from the outset to clarify the purpose of a Capital Plan is to endorse a prioritized list of projects, set out according to a timeline, based on staff capacity and in accordance with available funding. Any new projects that are not part of the endorsed Capital Plan, no matter how small, require staff resources, funding, design, planning, and delivery time. Unplanned work can impact the capacity of staff to deliver the agreed upon capital priorities. Any new projects added to the list will require an adjustment to the Capital Plan and should be approved by Council. If Council decides to add a new capital project to the endorsed Capital Plan, the impact can be mitigated as follows:

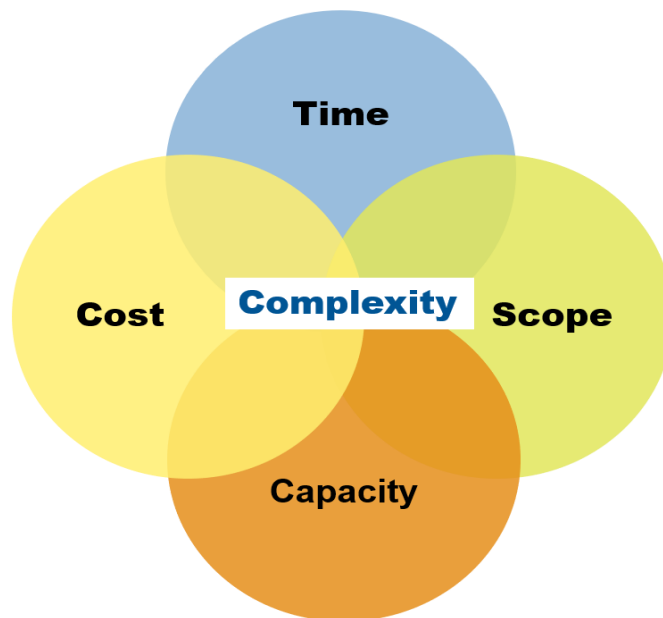
- Delaying other project(s)
- Cancelling other project(s)
- Or adding additional capacity for staff to take on additional projects.

As staff work to action the priorities set by Council, to achieve success it is important that a Capital Plan is set to ensure expectations are aligned with organizational capacity.

Staff have undertaken a fulsome process to consider all capital planning inputs and based on municipal best practices initiated the development of an integrated capital plan. Interrelated considerations for the creation and delivery of the Capital Plan (see **Figure 1**) include:

- Available funds and economic conditions, multi-year budgeting (Cost).
- Human resourcing needs and gaps (Capacity).
- Expectations around the delivery of projects (Time).
- Design and planning of projects prior to construction (Scope).
- Staging of projects and location considerations (Complexity).

Figure 1 - Capital Planning Considerations



As asset management and project management practices have matured within the organization, and as provincial planning and reporting requirements have changed, it has become clear that the time is right for the Town to integrate the capital project inputs into a more holistic capital planning cycle.

Provincial legislative changes have significantly impacted the funding available for the Parks and Recreation Capital Plan, but the province has promised “to keep

municipalities 'whole' if they can't fund infrastructure" resulting from legislative changes. This report will review the impact of provincial policy changes to the available capital funding for the Town.

Discussion

The Parks and Recreation Capital Plan provides a detailed list of projects that are sorted into three main planning windows, as follows:

- **Active** (completion within 5 years);
 - Design and construction phase.
- **Planning** (completion within 10 years);
 - Scope and cost estimates.
- **Future** (conceptual)
 - Anticipated projects.

The Parks and Recreation Capital Plan does not include asset replacement or state of good repair projects for parks and recreation facilities. The report does include some examples of these types of projects to highlight some significant projects that will be occurring in the near term for the awareness of Council and the community. Also, it is important to note that this Capital Plan does not include linear assets that broadly fit into the categories of roads, water, and wastewater. There are some projects listed for the future (10 years plus), and once staff have greater certainty on timing Council will be updated.

The Parks and Recreation Capital Plan includes the following types of projects:

- Major Park and Facility Projects
- Park Development
- Parkettes and Sports Pads
- Trails and Trail Connections
- Leash-Free Dog Parks
- New Lighting and Irrigation
- Studies & Plans

The above list is the broad categories that the projects fall into but is not necessarily a complete list of all specific projects.

Capital Project List

Appendix 1 – Active projects (0-5 years)

Appendix 2 – Planned projects (5-10 years)

Appendix 3 – Future projects (10 years plus)

Appendix 4 – Major asset replacement projects

This report and presentation is not intended to be a detailed presentation of every project as planning and design work is ongoing. Each project will be brought forward prior to construction with detailed design.

Capacity Considerations

The development of the Parks and Recreation Capital Plan has identified that over the next 5 years the Town is embarking on the largest recreation capital build program in its history (in measure of both dollars spent and assets built).

Various options are being explored to fund the additional resources/capacity that will be required to support the capital plan. These options include:

- Additional Town staff capacity
- Additional Town contract positions
- Third party contracting (design/build/project manage) where appropriate.

The delivery of the capital plan will require support from a wide range of program areas including:

Staff Capacity – To Design/Build:

- Engineering Services
- Parks and Facilities Services

Staff Capacity – To Support the Design/Build/Engagement:

- Legal (contract/agreement)
- Procurement (securing contractors)
- Risk & Insurance
- Communications
- Financial Services

Staff Capacity – To Maintain:

- Public Works
- Parks and Facilities

Staff will manage these pressures over the 10-year period and engage Council as we work to balance staff workload, available funding, and capital project delivery targets.

Sufficient Funding

As was noted earlier in the report there is a funding gap between what was estimated for capital funding prior to Bill 23 and what is anticipated to be available after considering the impact over the 10-year planning horizon. **Table 1** outlines that prior to the changes introduced under Bill 23 the Town had estimated total available funding to be in the range of \$130 million. Once the impact of Bill 23 is considered, the Town anticipates a net reduction in available funding in the range of \$32 million. The province recently

announced Bill 185 that has an estimated positive impact of \$6 million over 10 years. Adjusting for these provincial changes the available funding is \$104 million, a net reduction of \$26 million. As part of the 2024 Budget Council passed a 1% recreation levy, that over a 10-year period, will result in an additional \$7 million in funding, boosting available capital to \$111 million. Staff have further identified that it is prudent to earmark \$10 million from the available funds for emerging community priorities over the 10-year plan horizon. This will provide flexibility to address projects that are not yet anticipated or opportunities that may emerge. The net result is an anticipated \$101 million for capital projects over the next 10 years.

Table 1: Estimated Impact of Bill 23, Bill 185, the 1% recreation levy and funds held to address emerging community priorities over the 10-year plan.

Available Funds (Impacts to Funding Level)	Estimated Funding (in <u>Millions</u> \$)
Town Anticipated Capital Funding (as of Oct 2022)	130
Estimated Impact of Bill 23 (Reduction)	(32)
Estimated Impact of Bill 185 (Addition)	6
Estimated Capital Funding after Provincial Changes	104
Emerging Community Priorities Contingency (Held)	(10)
1% Town Recreation Levy over 10 years (Addition)	7
Available Funding	101

The Capital Plan has identified \$127 million in parks and recreation capital projects over the next 10 years. **Table 2** outlines that funding shortfall is estimated to be \$26 million, which is the same as the estimated impact of provincial legislative changes.

Table 2: Estimated Project Funding Shortfall

Funding Forecast	Funding Estimate ((in <u>Millions</u> \$)
Total available funding	101
Project estimates (over 10 years)	127
Estimated Funding Shortfall	(26)

This shortfall of \$26 million will put pressure on the Capital Plan over the next 10 years once projects are fully costed, fully adjusted for inflation, unanticipated project costs and project contingencies are all accounted for.

There are financial tools available to Council to fund projects, these tools include the following:

- Allocate portion of new revenues,
- Borrow and repay with future revenues (e.g. Shining Hill MCFA),
- Allocate growth dollars,
- Fund from taxes,
- Delay projects, and/or
- Cancel projects.

It is important to note that the total shortfall in funding can also be offset by alternative funding sources that include:

- Federal grants,
- Provincial grants,
- Potential new Municipal funding agreement (work by AMO and FCM),
- Funding from donations (e.g. local service clubs), and/or
- Alternative funding sources (e.g. partnerships).

The Town has in the past been successful in obtaining funding from alternative sources to address community priorities. At the time staff reports back with the final Parks and Recreation 10-year Capital Plan for Council consideration, recommendations will come forward to address funding.

Risks

The proposed Parks and Recreation Capital Plan is very ambitious. As a result, this plan would need to be a key consideration when Council sets its priorities for the 2026-2030 Council term. During the development of the Capital Plan a number of risks were identified, including:

- Projects estimates (most non Mulock Park related projects are based on Class D estimates with no contingency provision)
- Estimates are based on today's pricing regime (no inflation factor)
- Provincial legislative changes could further impact available funding
- Available funds are not enough to deliver the entire Capital Plan without borrowing against future revenues (e.g. Shining Hill MCFA) or alternative funding
- Insufficient resource capacity currently exists to deliver the entire Capital Plan
- Future budget impacts will be realized of owning/operating additional assets

Staff is working to develop strategies to mitigate the impact of the risks identified, and will continue to keep Council apprised of potential measures to address the risks.

Next Steps

The following set of actions have been identified as next steps in order to facilitate the 10-year Parks and Recreation Capital Plan:

- Staff to undertake consultation with key stakeholders and user groups regarding the Capital Plan as drafted (to be completed by end of 2024).
- Staff to report back to Council with a final draft of the Plan for review and approval (early in 2025).
- The approval of each individual project will continue to occur through the annual budget process, or by a separate report as appropriate, as each project is initiated (ongoing and current practice).

Staff will ensure that any new recreation project is only added to the Capital Plan having the support of Council.

Staff will provide Council with a Capital Plan update, at a minimum, with each term of Council.

Conclusion

This report sets out a very exciting draft plan to provide new assets and amenities for residents of the Town of Newmarket over the next 10 years. Newmarket is a growing, vibrant, and diverse community where recreation assets are valued, heavily utilized, and enjoyed by residents and visitors alike. The Town has a proven track record of delivering projects that meet the recreational needs of our residents, providing innovative, accessible, and exciting experiences for the community. The list of projects identified in this report demonstrates the range of investment being considered across the entire Town to meet the needs of today and well into the future.

Business Plan and Strategic Plan Linkages

The Parks and Recreation Capital Plan is essential to delivering on Council Priorities including:

Extraordinary places and spaces – Creating exceptional experiences for the community in shared and accessible public spaces.

Environmental sustainability – Preserving our environmental assets and addressing climate change for future generations.

Diverse, welcoming, and inclusive community – Building a strong, healthy and equitable community where everyone feels an unwavering sense of belonging

Consultation

This report was developed in consultation with staff from various departments including: Parks and Facility Services, Recreation and Culture Services, Engineering Services, Public Works Services and Financial Services

Human Resource Considerations

Staff will report to Council regarding resourcing requirements and associated funding sources related to delivering the Capital Plan.

Budget Impact

It is important to note that the Capital Plan will be delivered over 10 years and other sources of funding are likely to be realized to support the execution of the plan. Staff have successfully accessed alternative funding sources in the past and continue to look for opportunities to address future needs. There is an estimated budget shortfall of \$26 million based on projected project costs identified at the time of the report, with the shortfall largely being driven by legislative changes. Over half of the projects identified in this report (by number of projects) are at a Class D estimate (or lower) and as such costs will change as the projects are refined prior to commencing the works. That said, nearly half the projects in the Capital Plan by dollar (\$) value are already in progress and the costs are largely known (notably Mulock Park). As would be expected, the further out the project is (e.g. 5-10 years) the less certainty there is related to estimated costs. Staff will continue to work to refine costs and will report back to Council with recommendations early in 2025 related to the Capital Plan. Future operational costs will be addressed through annual budgets.

Attachments

Appendix 1, 2, 3 and 4

Approval

Jeff Payne, Commissioner, Community Services

Peter Noehammer, Commissioner, Development and Infrastructure Services

Ian McDougall, Chief Administrative Officer

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Active Projects List (0 - 5 Years)

Capital Projects:

Major Projects

- Mulock Park, House and Parking
- New Tennis Club
- Pickleball Facility
- Multi Use Sports Pad and Outdoor Rink (Ray Twinney Complex)

Park Development

- Frank Hollingsworth Park

Parkettes and Sports Pads

- Frank Williams Court
- Proctor Park Sport Pad
- Environmental Park Sport Pad
- William Dunn Parkette
- Clifford Perry Parkette
- Dorothy Fraser Parkette

Park Planning

- Haskett Park (Park Plan – Phase 1)

Trails and Trail Connections

- Mulock Multi-Use Path
- Bathurst Multi-Use Path
- Northwest Quadrant – Phase 5
- Stackhouse Trail
- Holland River Overlook

Renewal and Replacement Projects

- Former Operations Centre

Leash-Free Dog Park(s)

- Additional/New Leash-Free Dog Park(s)

Other of Sports Fields/Parks/Trails

- Lighting & Irrigation

Planned Projects List (5 - 10 Years)

Capital Projects:

Trails and Trail Connections

- Glenway West Development Trail
- Oak Tree Cres to Yonge St Connection
- Bayview Ave to Stonehaven Connection
- Quaker Trail Connection
- Cane Parkway Trail (Part 1 and 2)
- Haskett Park Trail – Davis Dr. Connection
- Hydro Corridor Trails

Growth Related Parks

- Shining Hill
- Sundial Park
- Forest Green Park
- Prospect/Charles Park
- Lundy's Lane Development
- Redwood Development

Park Development

- Haskett Park (Renewal – Phase 2)

Future Projects List (10 Years Plus)

Capital Projects:

- Ray Twinney Recreation Centre Addition
- Community Centre Enhancements
- Glenway West Facilities Building
- New Park Bathrooms

Major Asset Replacement Funded (ARF) Projects

ARF Projects (Highlights only*):

- Trail Enhancements
- Glen Cedar Parkette
- Main St. Walkway Repairs
- Main St. Furniture Placement
- Fairy Lake Park Bathroom
- George Richardson Park – Trail Bridge
- Inclusive & Accessible Playground

*This is not a complete list