

NO: R181

COUNCIL DATE: July 23, 2018

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **July 19, 2018**

FROM: **General Manager, Planning & Development** FILE: **0760-20**
(Projects Files)

SUBJECT: **Delegation of Authority for the Award of Construction Contracts for the Cloverdale Sports & Ice Complex Early Construction, Cloverdale Fairgrounds Show Barn Structural Upgrade, and Grandview Heights Aquatic Centre Parking Lot Expansion**

RECOMMENDATION

The Planning & Development Department recommends that Council:

1. Receive this report for information; and
2. Delegate authority to the City Manager until September 16, 2018 to award the contracts for the following projects:
 - a. The early works construction of the Cloverdale Sports & Ice Complex (erosion and sediment control [ESC], bulk excavation, pile foundation, pre-engineered metal building and Cloverdale Fairgrounds workshop relocation);
 - b. Cloverdale Fairgrounds Show Barn Structural Upgrade; and
 - c. Grandview Heights Aquatic Centre Parking Lot Expansion.

subject to the following conditions being fully met:

- The contract being awarded to the proponent who submits the lowest quotation that fully satisfies the specifications for the related work;
- The amount of the contract being within the approved Capital Budget; and
- Council being informed in a timely manner of: the quotations received; the results of the evaluation of the quotations; and the proponent to which the contract is awarded.

INTENT

The intent of this report is to have Council delegate authority to the City Manager to award contracts for: the early construction of the Cloverdale Sports & Ice Complex; Cloverdale Fairgrounds Show Barn Structural Upgrade; and Grandview Heights Aquatic Centre Parking Lot Expansion, with a view to allowing such works to proceed as soon as possible.

BACKGROUND

Cloverdale Sports & Ice Complex

The Cloverdale Sports & Ice Complex was included in the 2016 Capital Program Budget (Corporate Report No. Foo2; 2016, attached as Appendix "I"). The Project will include a two-storey two ice sheet arena with seating for 400 spectators, multipurpose and meeting rooms, food and beverage concession, new parking lot, landscaping and new road (177B Street) to provide access to the new facility. The new 177B Street will connect 64 Avenue with 62 Avenue to provide more efficient traffic circulation in the Cloverdale Fairgrounds area.

Cloverdale Fairgrounds Show Barn Structural Upgrade

On May 23, 2018, Council approved the extension of lease agreement between the City and the Lower Fraser Valley Exhibition Association to include Willow Industries Ltd. as a sub-lessee for a five-year rental term for the improvements to Cloverdale Fairgrounds Show Barn (Corporate Report No. Ru19; 2018, attached as Appendix "II"). The show barn building improvements will mainly include structural steel upgrade to accommodate the removal of the building's middle columns and constructing a reinforced concrete slab on grade to allow for ball hockey games.

Grandview Heights Aquatic Centre Parking Lot Expansion

Since its opening in June 2016, Grandview Heights Aquatic Centre has become a well-known recreation and community hub attracting residents and visitors from all over the City and neighbouring areas. To address the community feedback to increase the existing parking lot capacity, and provide a better experience for visitors, the City will be expanding the existing parking lot at Grandview Heights Aquatic Centre to the east on adjacent City-owned properties.

DISCUSSION

It is in the City's best interest to award these contracts prior to the next Regular Council meeting, in September 2018, in order to meet project schedules and to ensure the best possible pricing for each contract as the construction market is currently experiencing cost escalation every month.

Project Tender Process and Schedule

Cloverdale Sports & Ice Complex

The project team was working towards awarding early works contracts in July 2018. This has been postponed until August to provide the project team with sufficient time to further evaluate the bids and verify scopes with the lowest bidders for each project component of the scopes. The early works include ESC, bulk excavation, pile foundation, pre-engineered metal building and relocation of the Cloverdale Fairgrounds workshop.

The new 177B Street local road construction from 62 Avenue to 64 Avenue which is part of the Cloverdale Sports & Ice Complex project has been tendered in July 2018. A recommendation to award Contract No. 1718-030-11 to the lowest bidder is being submitted to Council for approval on July 23, 2018.

Construction of early works is expected to commence August 2018, with full tendering in 2018 or 2019, and anticipated completion for the whole project in fall 2020.

Cloverdale Fairgrounds Show Barn Structural Upgrade

The project is in the design stage. It is anticipated that tendering will commence by the end of July or beginning of August 2018, and that construction will start in August or September 2018, with completion expected in early 2019.

Grandview Heights Aquatic Centre Parking Lot Expansion

The project is in the design stage. It is anticipated that tendering will commence in August 2018, and that construction will start in September 2018, with completion in winter 2018.

Funding

Funding for these contracts is available within the approved Capital Budgets for Cloverdale Sports & Ice Complex and Grandview Heights Aquatic Centre Parking Lot Expansion.

Funding for Cloverdale Fairgrounds Show Barn Structural Upgrade will be provided by Willow Industries Ltd. through the approved sublease rental agreement with Lower Fraser Valley Exhibition Association and at no cost to the City.

SUSTAINABILITY CONSIDERATIONS

The City recognizes the value of creating sustainable facilities. The projects align with the following Sustainability Charter 2.0 Desired Outcomes (DO) and Strategic Directions (SD):

Built Environments and Neighbourhoods

DO12: Retrofits and renovations are prioritized over demolition.

DO13: Buildings are healthy and energy and resource efficient.

DO15: All new buildings, public places and outdoor spaces are welcoming, safe and universally accessible.

Education and Culture

DO7: An enviable and vibrant arts and heritage sector contributes to Surrey's citizen engagement, enrichment, economy, community livability and civic pride.

DO8: Arts, heritage and entertainment spaces are incorporated throughout the city.

DO10: Surrey celebrates, protects and promotes its natural and built heritage sites.

Health and Wellness

DO8: Residents feel a sense of belonging and connectedness, and have opportunities for social interaction in their neighbourhoods and community.

Infrastructure

DO5: Public art and heritage are integrated into Surrey's infrastructure.

Health and Wellness

DO6: Residents participate in a wide range of recreation and leisure opportunities.

Public Safety

DO2: Police and fire services provide timely and reliable responses across the city.

CONCLUSION

In consideration of the fact that there are no regular Council meetings between July 23, 2018 and September 17, 2018 it is recommended that Council delegate authority to the City Manager until September 16, 2018 to award the contract related to the early works construction of the Cloverdale Sports & Ice Complex, Cloverdale Fairgrounds Show Barn Structural Upgrade, Grandview Heights Aquatic Centre Parking Lot Expansion, 1881 Town Hall Extraction, and Surrey RCMP Main Detachment Interior Renovation projects.

Based on the above discussion, it is recommended that Council:

- Receive this report for information; and
- Delegate authority to the City Manager until September 16, 2018 to award the contracts for the following projects:
 - The early works construction of the Cloverdale Sports & Ice Complex (erosion and sediment control [ESC], bulk excavation, pile foundation, pre-engineered metal building and Cloverdale Fairgrounds workshop relocation);
 - Cloverdale Fairgrounds Show Barn Structural Upgrade; and
 - Grandview Heights Aquatic Centre Parking Lot Expansion.

subject to the following conditions being fully met:

- The contract being awarded to the proponent who submits the lowest quotation that fully satisfies the specifications for the related work;
- The amount of the contract being within the approved Capital Budget; and

- Council being informed in a timely manner of: the quotations received; the results of the evaluation of the quotations; and the proponent to which the contract is awarded.

Original signed by
Jean Lamontagne
General Manager, Planning & Development

AA/ar/ss

Appendix "I" Corporate Report No. Foo2; 2016

Appendix "II" Corporate Report No. R119; 2018

Appendix "III" Corporate Report No. Foo2; 2017

CITY MANAGER'S
DEPARTMENT

CORPORATE REPORT

NO: F002

COUNCIL DATE: February 10, 2016

FINANCE COMMITTEE

TO: Mayor & Council

DATE: January 29, 2016

FROM: City Manager and
General Manager, Finance & Technology

FILE: 1705-05

SUBJECT: 2016 Five Year (2016-2020) Financial Plan - Capital Program

1.0 RECOMMENDATION

It is recommended that the Finance Committee recommend that Council:

- a) Approve the capital projects as outlined in Section 3.0 of this report; and
- b) Direct staff to prepare the 2016 Five-Year (2016–2020) Capital Financial Plan incorporating these projects.

2.0 BACKGROUND

A summary of the 2015 – 2019 Five Year Capital Plan is attached as **Appendix I**. The following is an update on the major projects that were funded in the 2015 component of that Plan:

2.1 Biodiversity Conservation Program

In July 2014, Council adopted the Biodiversity Conservation Strategy, a program designed to preserve, protect and enhance Surrey's biodiversity in the long term, through identifying current biodiversity resources, establishing management criteria for our green infrastructure and urban ecosystems, recommending policy and procedures to support the initiatives in the plan and to provide long term monitoring. This funding provided in 2015, supported the development of the implementation of the strategy and funding for future land acquisition.

2.2 City Centre Artist Space

In 2015 we completed the interior demolition of the space at 10660 City Parkway, and issued a request for expressions of interest for an arts group to operate the space. Staff are working on partnership agreements with Streerich Hip Hop Society and the Royal Canadian Theatre Company to operate this facility and expect that the renovations will be completed in 2016.

2.3 Cloverdale Recreation Centre Lighting

The design of the Cloverdale Recreation Centre did not include exterior lighting as the intention was for the interior lighting to spill out through the glass. However, as there was insufficient lighting at the front entrance, this has caused safety concerns. Exterior lighting and security cameras are being installed to meet the safety needs of the patrons. In addition, lighting has been installed from the Recreation Centre north to 64th Avenue through the Bill Reid Millennium Amphitheatre. Further, additional parking has also been developed on the west side of the youth park, near the recreation centre.

2.4 District Energy Centre

Surrey City Energy commenced service to both the Rize Wave development as well as the PCI King George Station development in 2015. Construction commenced in October on the second temporary natural gas boiler plant and associated distribution system expansion project required to service 2 new high-rise projects near the King George SkyTrain station with service commencing in 2016. Detailed design also commenced for the permanent natural gas peaking plant at the future West Village Park site at 103 Ave and 133 St.

2.5 Grandview Heights Aquatic Centre

Construction on the Grandview Heights Aquatic Centre completed in the fall of 2015. This complex includes FINA-certified diving and 50M swimming competition space, a lifestyle pool, waterslide and related amenities, hot pool, steam and sauna rooms, and related support space as well as a new weight/fitness room. This complex is expected to open in March 2016. This is a multi-year project with funding totalling \$54.4 million.

2.6 Guildford Youth Park Upgrade

A large portion of the Guildford Youth Park was demolished to make way for the new 50 meter pool. The Youth Park has been reinstated with a plaza style Skateboard and BMX Park.

2.7 Increased Video Surveillance

A security audit was conducted in 2014, which identified a number of facilities whose video surveillance systems were past or near the end of their useful life. This program has allowed a significant number of security systems to be brought in line with the City's current security standards, improving security monitoring and creating efficiencies. This program will continue through 2017 as we bring our facilities in line with our current security standards.

2.8 Newton Athletic Park

Enhancements to the Newton Athletic Park have been on-going. In 2015, a new water spray park has been constructed, an over-flow parking area was built and a rubberized walking path has been created. Schematic design work has begun for renovations of the main field house and a new cricket field house and for a covered artificial turf practice facility.

2.9 North Surrey Arena Replacement

As North Surrey Arena approaches the end of its useful life, a new twin arena complex in North Surrey is being planned and designed to be more efficient for users and energy use. A Request for an Expression of Interest for a replacement arena has been issued. The responses are under review, with the expectation that we will move forward with the project in the spring of 2016.

2.10 RCMP – Additional Space

Design work is underway for the RCMP facility expansion plans, which will accommodate up to 575 staff within the old City Hall for police operations. Office renovations to the South tower, main floor and west wing will be required, in addition to enhanced security measures and parking improvements. Once specific staff relocate, office renovations will be required at the main detachment to meet their growing work force.

2.11 Recreation Equipment Needs

The South Surrey Arena dehumidification system was no longer working effectively and was replaced. In addition, preschool programs across the City have received upgraded equipment and start-up equipment for the City's new Aquatic Leadership program has been purchased, which will ensure consistent training for our community life guards. The Newton Wave Pool interactive water toy has also received an upgrade.

2.12 Softball City Improvements

In preparation for the 2016 World Cup of Women's Softball, backstops, fencing, lighting systems, landscaping, infields and outfields will be renovated to ensure a world class facility is available for this premier tournament. In addition, some structural improvements will be carried out on the main field house.

2.13 South Surrey Athletic Park - Waterpark & Road

Detailed design work for the realignment of interior roads and parking areas has been finished and the work has been tendered. Construction will begin in the spring of 2016.

2.14 Urban Screen Replacement

Matching funds were received from Canadian Heritage and the specialized equipment, such as projectors, computers and associated software for the Urban Screen program was replaced in October. A new exhibition, Salmon People, was launched on October 23rd.

2.15 Utility Building - City Works Yard

Completed the construction of the New Operations Centre, which consists of a New Operations Building, Fleet Services Centre, and an Operations Warehouse. The work included the demolition of the former Works Yard building to make way for the development of a new fleet parking lot which was completed in November 2015. The new 4 story Operations Centre facility is home to the Engineering-Operations Division, Parks-Operations, Facilities Management and Bylaw Enforcement Divisions. It includes state-of-the-art offices and meeting rooms, training facilities, trades workshops, lunchroom, and a fitness center. The remaining phases of the site redevelopment will include a Decant facility, extension to the bulk road salt storage shed, outdoor covered storage along the north property line, material bin layout and final paving which will be completed by July 2016.

2.16 Welcoming Environments for Recreation

The City has added enhancements to the lobby area at recreation centres throughout the City. Part of these enhancements included natural social gathering spaces along with the introduction of digital signage and a test pilot of interactive self-serve kiosks. These enhancements have improved the customer experience and have streamlined messaging as well as reduced the use of paper. Surrey Sport & Leisure, Cloverdale Recreation Centre, South Surrey Recreation and Arts Centre and Guildford Recreation Centre, all received digital signage to highlight programming and improve way-finding.

3.0 DISCUSSION

The Annual Capital Program is composed of the following elements:

- 1) On-going general capital programs and minor capital projects to maintain and/or enhance the City's current inventory of infrastructure, and
- 2) Major Capital, which includes a series of new large-scale capital projects that will be constructed over the next few years to support business and residential growth over the next 10 years.

3.1 Available Funding for the Capital Program

The following table documents the revenue sources of funding that are expected to be available in each of the next five years to support the Annual Capital Program.

	2016	2017	2018	2019	2020
General Program					
Contribution from General Operating	\$ 5,800	\$ 7,300	\$ 8,900	\$ 10,600	\$ 12,400
Proceeds from Gaming Revenue	3,200	3,300	3,400	3,500	3,600
Proceeds from SCDC Dividends	4,500	4,500	4,500	4,500	4,500
Proceeds from Tree Replacement Revenue	550	1,200	1,325	1,450	1,475
Contribution from City Reserve Funds	888	2,912	3,436	3,611	3,796
Other Contributions	600	0	0	0	0
Canada Grant	925	0	0	0	0
Prior Years' Operating Savings	1,000	500	0	0	0
Repayable Contribution from Internal Sources	42,912	43,160	52,330	30,320	0
NCP/Amenity Contributions	4,406	2,750	150	150	150
Contributions from Utility Funds	31,176	14,933	14,320	9,122	8,687
TOTAL FUNDING SOURCES	\$95,957	\$80,555	\$88,361	\$63,253	\$34,608

Included in the above funding is \$925,000 for grant funding from the Federal "Community Infrastructure Canada 150 Grant Program". The breakdown of this grant funding follows:

Roof Repair for Newton Library	\$ 0.300M
Interior Upgrades to Guildford Recreation Centre	0.225M
Upgrades to Newton Senior Centre	0.250M
Roof Repairs to Newton Cultural Centre	0.150M
Total	<u>\$ 0.925M</u>

3.2 On-going Capital Requirements

On-going capital is required to sustain our existing assets through major maintenance type initiatives such as building envelope, roof repairs and technology enhancements and to initiate minor facility enhancements such as flooring and washroom improvements along with minor park enhancements.

The following table documents the breakdown of funding required over the next five years.

	2016	2017	2018	2019	2020
Building Repairs and Upgrades	5,940	1,800	1,500	1,500	1,600
Parking Lot Repairs and Upgrades	250	250	250	250	250
Library Books	2,100	2,300	2,400	2,450	2,450
City Beautification - Green City Program	550	650	750	850	850
Sundry & Contingency	550	550	550	550	550
Land Purchases	0	0	0	0	3,590
Contribution to New Technology	1,500	2,600	2,000	2,000	2,000
Contribution to Roads & Traffic	5,031	5,273	5,605	5,957	6,330
Contribution to Parks Development	4,060	2,860	3,310	2,560	2,560
TOTAL ON-GOING CAPITAL REQUIREMENTS	\$19,981	\$16,283	\$16,365	\$16,117	\$20,180

Some of the initiatives that will be addressed over the next five years include exterior and interior upgrades, building envelope repairs, park fencing repairs, additional washrooms and minor park improvements. In addition, some specific high priority items have been identified to be addressed in 2016; these include the projects that have received grant funding, which have already been listed above, as well as repairs to the Fleetwood Recreation and Library building envelope estimated at \$2.6M.

The 2016 Contribution to New Technology consists of the following multi-year projects:

Enterprise Content Management	\$ 1.000M
Employee Scheduling System	<u>0.500M</u>
Total	<u>\$ 1.500M</u>

3.2.1 Electronic Content Management

The ECM Section continues to pursue the City's goal of making operations "paperless". To this end, the Area Planning Divisions of the Planning and Development Department and the Engineering Land Development Division will be on-boarded to the Electronic Information Management system (EIM). Three new enterprise technologies will be rolled out: one to digitally mark-up drawings & plans; the second, a collaboration tool will replace a former tool that was not compliant with regulatory and records management requirements; and the third, software to store and management of emails as content in ECM. The total funding for this project is \$3.4M which has been spread over 2016-2020.

3.2.2 Employee Scheduling System

The City will initiate a project to acquire a new employee scheduling solution for approximately 3500 employees, both union and non-union, including the RCMP. The City anticipates utilizing the proposed solution to enhance roster development, over time management and call out notification. The proposed solution will bring value by increasing efficiency, provide real-time schedules, improve communication, reduce data entry, increase flexibility, and improve productivity. The total funding for this project is \$3M which has been spread over 2016-2018.

3.3 Major Capital

The following table identifies the major capital projects that are expected to be undertaken over the next five years.

CAPITAL PROJECTS	2016	2017	2018	2019	2020
Relocate North Surrey Arena (total \$45.5M)	25,500	19,250	0	0	0
District Energy Centre	13,933	10,472	9,551	4,026	3,244
Clayton Rec Ctre/Arts/Library/Dist Office	10,000	10,000	9,750	10,000	0
Cloverdale Twin Arena (total \$35M)	750	5,250	29,000	0	0
South Surrey Operations Centre	13,000	0	0	0	0
RCMP Detachment Expansion (total \$13.5M)	4,340	3,260	1,900	0	0
Surrey Museum Phase 2	500	5,500	4,000	0	0
Performing Arts Space Feasibility & Land Acquisition	250	500	10,000	0	0
Biodiversity Program	500	3,150	3,775	4,050	4,334
Fire Training Centre	3,500	2,500	0	0	0
Newton Athletic Park (water park, etc.)	1,150	250	250	250	0
Newton Town Centre Urban Park	1,000	2,000	2,000	0	0
City Centre Artist Space	100	0	0	0	0
Artificial Turf Fields	200	1,800	200	1,800	0
Fixtures & Equipment at Various Facilities	362	140	80	0	0
Cultural Corridor - Art Space	300	0	0	0	0
Counter Renovations at 2 district Offices	200	200	0	0	0
RCMP Counter/Cells & Exhibit Area Reno's	391	0	1,000	2,500	3,500
Move 2 RCMP District Offices	0	0	490	1,510	1,000
YMCA Agreement	0	0	0	20,000	0
S Surrey Contemporary Art Gallery & Café	0	0	0	3,000	0
Fleetwood Multi-Purpose Space (\$14M)	0	0	0	0	1,350
RCMP North Detachment	0	0	0	0	1,000
TOTAL PROPOSED NEW PROJECTS	\$75,976	\$64,272	\$71,996	\$47,136	\$14,428

3.3.1 North Surrey Arena Replacement

The North Surrey Arena contains 2 sheets of ice; one of the sheets was built in 1966 and is at the end of its useful life. To ensure that the users of that arena are not displaced due to a facility failure, it is necessary to plan and build a new twin sheet replacement prior to closing the existing arena. It is anticipated that the multi-year budget requirement for this project will be \$45.5 million.

3.3.2 District Energy System

Construction of the second temporary natural gas boiler plant and associated distribution system expansion will be completed in 2016, in advance of service to Surrey City Energy's next two customers. Detailed design will also continue for the permanent natural gas peaking plant at the future West Village Park at 103 Ave and 133 St. This plant will be completed in 2018 at which time the temporary natural gas boilers will be relocated to serve new customers in locations where the distribution system is not yet available.

District Energy infrastructure costs are fully recovered from future customers through their rate structure.

3.3.3 Clayton Recreation & Culture Facility

In consideration of the growth that has occurred in East Clayton and the growth that is expected over the next few years in West Clayton, the planning and concept design of the first phase of a combined Clayton Heights Recreation & Arts Centre and Library was completed in 2015. Detailed design will be initiated in 2016, based on the approved capital plan. The total project budget is expected to be \$39.7 million.

3.3.4 Cloverdale Twin Arena

Due to additional demand for ice sports, there is a need for a new twin sheet arena in the Cloverdale area. The new arena complex will be designed to be efficient and welcoming as it serves the community and the region for ice hockey, figure skating, public lessons & skating sessions as well as dry floor summer use. It is expected that this multi-year project will cost \$35.0 million to complete.

3.3.5 South Surrey Operations Centre

The Engineering Department's Roads and Drainage Section is divided into three distinct geographical areas to provide appropriate and timely coverage throughout Surrey for surface maintenance issues within City roads and rights-of way. The South Surrey roads coverage area extends from Colebrook Road to the south perimeter of the City. South Operations Roads and Drainage staff have temporarily been using space at the Central Operations Facility while searching for a new site. The establishment of a South Surrey Operations Centre is required to improve customer service and increase the productivity and efficiency of the Roads and Drainage Operations staff. The new facility will be located on City owned land at 16666 -24 Avenue. The site has been cleared for development and construction is scheduled to commence this spring. This is a multi-year projects that is expected to cost \$16.0 million.

3.3.6 RCMP Detachment Expansion

The former City Hall will be upgraded to accommodate up to 575 staff in an RCMP Detachment expansion. Staff will occupy the south tower and the main floor of the west wing. Interior renovations, system updates and improvements to the parking compound will be completed by the end of 2016, with the remaining improvements required through to 2018. Total renovations are expected to cost \$13.5 million.

3.3.7 Museum Expansion

This phase 2 expansion will complete the Surrey Museum. Design will begin in 2016 and construction from 2017 to mid-2018. Included in this expansion will be a 2,500 sf Feature Gallery for national and international exhibitions, a new program room for Textile workshops, an Arrival Space that includes large transportation artifacts and additional space for special events, expanded Collections Storage, Volunteer Training facility and a fully functioning exhibit workshop. In addition, the Kids Gallery will be expanded from 800 sf to 2,000 sf to increase services for young families in Surrey. Finally, the 1881 Hall will be moved to the Museum grounds as program/education space. The final phase of the project is anticipated to cost \$10.0 million.

3.3.8 Performing Arts Space Feasibility and Land Acquisition

To further complement the existing Surrey Arts Centre's 400 seat theatre and City Hall's Centre Stage 200 seat theatre, a new performing arts space is planned in the City. Given the City's growth and large geographic, there is demand for an additional performing arts space. This budget will support critical land acquisition. This is a multi-year project that is estimated to cost \$10.7 million.

3.3.9 Biodiversity Conservation Program

In July 2014, Council adopted the Biodiversity Conservation Strategy, a program designed to preserve, protect and enhance Surrey's biodiversity in the long term, through identifying current biodiversity resources, establishing management criteria for our green infrastructure and urban ecosystems, recommending policy and procedures to support the initiatives in the plan and to provide long term monitoring. A major component of the City's management plans includes the acquisition of land. This funding allows for very modest acquisition investments in support of the plan until more significant and long term funding mechanisms are established.

3.3.10 Training Centre Expansion – Hall # 9

This project will expand and reconfigure the Central Training Centre to allow for increased training services for all City Departments with added classrooms for lecture theatre environments. The reconfiguration of the site will also improve traffic safety access to the site, and provide onsite parking that allows for unencumbered onsite live public safety training exercises to run in conjunction with a revenue based client schedule. The site design will provide for long term cost efficient consideration of future opportunities for inclusion of a back-up emergency response command centre as well as a dormitory for students. The total budget for this project is \$6.0M.

3.3.11 Newton Athletic Park Master Plan

Enhancements to the Newton Athletic Park have been on-going. In 2016, design and construction of renovations to the existing field house will be undertaken. A mini soccer field will be converted to artificial turf for practice and warmup. As well, the schematic design for a new cricket field house with public washrooms and community space will be undertaken for construction in 2017.

3.3.12 Newton Urban Park

This project will create a central urban park for the Newton Town Centre including festival and public event spaces. It will encourage and develop place-making opportunities through public art and urban design elements. The multi-year budget for this project is \$5.0M.

3.3.13 City Centre Art Space

In 2015, the interior demolition of this space was completed and a request for expressions of interest for an arts group to operate the space was issued. The operators have been selected (Streerich Hip Hop Society and the Royal Canadian Theatre Company) and the remaining renovations will be completed in 2016. The total budget for the initial phase of the project is \$250,000.

3.3.14 Artificial Turf Fields

This funding will provide for the initial design of an additional artificial turf field at the Cloverdale Athletic Park with construction to begin in 2017. The total project cost will be \$2.0M and there will be no additional operating costs associated with this project as costs are recovered through user fees for the artificial turf fields.

3.3.15 Fixtures & Equipment at Various Facilities

Computer controls for the 3rd ice surface at Surrey Sport and Leisure need to be replaced along with some minor equipment needs at Sunnyside Hall and Fraser Heights Recreation Centre. In addition preschool programs across the City are in need of equipment upgrading, which will take place over the next three years.

Improvements are needed to the theatre and gallery lighting at the Surrey Arts Centre to improve efficiency and drapery and audio equipment will also be enhanced to meet both efficiency and programming needs. Repairs and replacement will take place over the next three years for a total cost of \$122,000.

3.3.16 Cultural Corridor

The Cultural Strategic Plan was adopted by Council in 2012, and the Surrey Public Art Plan recommends expanding Surrey's cultural corridor, which is comprised of cultural opportunities generally following King George Boulevard, from City Centre to South Surrey. Expansion of art and cultural opportunities along the Cultural Corridor will engage the artistic community in creating positive destinations for local residents and visitors.

3.3.17 RCMP Front Counter Enhancements

Due to new security regulations established by RCMP, the lobby entrance is being expanded to accommodate improved reception protection at the main detachment. An air lock vestibule will also be added for improved comfort. Work on this project began in 2015 and is expected to be complete in 2016.

3.4 Proposed 2016 Capital Program for Roads, Sewer, Drainage and Water

The table in the previous section addresses the capital projects that are funded from general revenue. Capital funding is also available from Development Cost Charges, the GVTA (TransLink) and sundry developer contributions. The total funding amounts available in 2016 for all Engineering and Parks-related capital infrastructure projects are listed below:

Arterial	\$ 98.3M
Local/Collector Roads	11.1M
Drainage	16.2M
Sewer	14.6M
Water	17.3M
Parks Acquisition & Development	<u>27.5M</u>
Total	<u>\$ 185.0M</u>

As in previous years, a detailed list of the Engineering and Parks-related capital projects to be completed in 2016 will be provided to Council in the next few months. An overview of the entire Capital Program is attached as **Appendix II** to this report.

4.0 SUMMARY

To allow the completion of the 2016 Five Year (2016-2020) Capital Financial Plan, it is recommended that the Finance Committee recommend that Council:

- a) Approve the capital projects as outlined in Section 3.0 of this report, and
- b) Direct Staff to prepare the 2016 Five Year (2016-2020) Capital Financial Plan incorporating these projects.



Vincent Lalonde, P. Eng
City Manager



Vivienne Wilke, CPA, CGA
General Manager,
Finance & Technology

Attachments:

Appendix I: 2015 Five Year (2015-2019) Capital Financial Plan

Appendix II: 2016-2020 Capital Financial Plan

Appendices available upon request



CORPORATE REPORT

NO: R119

COUNCIL DATE: May 28, 2018

REGULAR COUNCIL

TO: Mayor & Council DATE: May 23, 2018

FROM: General Manager, Parks, Recreation & Culture FILE: 2240-20/C
General Manager, Finance

SUBJECT: Extension of the Cloverdale Fairgrounds Operating Agreement with the Lower Fraser Valley Exhibition Association and Approval of the Tenant Improvement Agreement with the Lower Fraser Valley Exhibition Association and Willow Industries Ltd.

RECOMMENDATION

The Parks, Recreation and Culture Department and the Finance Department recommend that Council:

1. Receive this report for information; and
2. Approve the execution by the City Manager and the City Clerk of the extension of the Operating Agreement (the "Agreement") between the City of Surrey and the Lower Fraser Valley Exhibition Association (the "Association"), attached as Appendix "I", for the operation of the Cloverdale Fairgrounds during the seven-year period from January 1, 2017 to December 31, 2023; and
3. Approve the execution by the Realty Asset Manager of the Tenant Improvement Agreement (the "TI Agreement") between the City of Surrey, the Lower Fraser Valley Exhibition Association (the "Association"), and Willow Industries Ltd. ("Willow"), attached as Appendix "II", for the improvements to the Cloverdale Fairgrounds Show Barn.

INTENT

The purpose of this report is to provide an overview of:

1. A proposed extension of the Agreement between the City and the Association for the operation of the Cloverdale Fairgrounds for the years 2017 through 2023 inclusive, and to obtain approval to execute the Agreement; and

2. A proposed TI Agreement between the City and the Association and Willow for the improvements to the Cloverdale Fairgrounds Show Barn, and to obtain approval to execute the TI Agreement.

BACKGROUND

The Agreement with the Association covering the period from January 1, 2017 to December 31, 2019 was approved by Council on December 5, 2016 (Corporate Report No. R259; 2016: attached as Appendix "III"). An extension to the Agreement is now required to allow the Association to enter into a new five-year sub-licence agreement with Willow for the operation of a ball hockey league at the Show Barn Building, as illustrated in Appendix "IV" attached to this report. Under the terms of the current Agreement between the City and the Association, the Association has the ability to sub-licence with third parties.

Willow has been operating at the Central City Arena located at 10240 City Parkway for the past nine years. Willow's lease agreement for the arena expires on April 31, 2018, with the potential to extend to July 1, 2018 and will not be renewed after the final extension date due to development plans for the lands. Willow primarily operates ball and roller hockey leagues and currently has 2,000 regular participants making up over 100 teams annually for ball hockey and roller hockey.

The Association and Willow approached the City in 2017 with a proposal to carry out improvements in the Show Barn in order to operate a viable ball hockey and roller hockey league. The City is prepared to carry out the improvements subject to the terms of the TI Agreement in Appendix "II".

The Association Executive is satisfied with the proposed Agreement and the Association Executive and Willow are satisfied with the proposed TI Agreement.

Review by Legal Services

Legal Services has reviewed the proposed Agreement and TI Agreement and has no concerns.

Review by Finance

Finance has reviewed the proposed Agreement and TI Agreement and has no concerns.

SUSTAINABILITY CONSIDERATIONS

The Cloverdale Fairgrounds serve as a venue for community celebrations, festivals and local community programs, and agriculturally-focussed exhibitions. This project supports the objectives of the City's Sustainability Charter 2.0. In particular, this work relates to the themes of Economic Prosperity & Livelihoods and Health & Wellness. Specifically this will assist in meeting the following Desired Outcomes (DO) and Strategic Direction (SD):

- Economy - DO11: Food production and enterprises of all scales are an integral part of the economy.
- Wellness & Recreation - DO6: Residents participate in a wide range of recreation and leisure opportunities.
- Wellness & Recreation - SD8: Promote greater participation in all forms of recreation.

CONCLUSION

Based on the above discussion, it is recommended that Council:

- Approve the execution by the City Manager and the City Clerk of the extension of the Agreement between the City of Surrey and the Association, attached as Appendix “I”, for the operation of the Cloverdale Fairgrounds during the seven-year period from January 1, 2017 to December 31, 2023; and
- Approve the execution by the Realty Asset Manager of the TI Agreement between the City of Surrey, the Association, and Willow, attached as Appendix “II”, for the improvements to the Cloverdale Fairgrounds Show Barn.

Laurie Cavan
General Manager,
Parks, Recreation & Culture

Kam Grewal, CPA, CMA
General Manager,
Finance

Appendix “I”	Proposed Operating Agreement (2017 – 2023)
Appendix “II”	Proposed Tenant Improvement Agreement
Appendix “III”	Corporate Report No. R259; 2016
Appendix “IV”	Aerial Photograph of Show Barn Building

Appendices available upon request



CORPORATE REPORT

NO: F002

COUNCIL DATE: November 27, 2017

FINANCE COMMITTEE

TO: Mayor & Council

DATE: November 8, 2017

FROM: City Manager and
General Manager, Finance

FILE: 1705-05

SUBJECT: 2018 Five Year (2018-2022) Financial Plan - Capital Program

1.0 RECOMMENDATION

It is recommended that the Finance Committee recommend that Council:

1. Approve the capital projects as outlined in Section 3.0 of this report; and
2. Direct staff to prepare the 2018 Five-Year (2018–2022) Capital Financial Plan incorporating these projects.

2.0 BACKGROUND

A summary of the 2017–2021 Five Year Capital Plan is attached as Appendix "1". The following is an update on the major projects that were funded in the 2017 component of that Plan:

2.1 District Energy System

Construction of the permanent natural gas peaking plant at the future West Village Park, located at 103 Avenue and 133 Street commenced in August 2017. Construction is scheduled for completion in the Fall of 2018 at which time the temporary natural gas boilers that are currently located on the site will be relocated to serve new customers in locations where the distribution system is not yet available.

Construction of the 3rd phase of the distribution piping system was required to connect 4 new customer buildings in the Surrey Central area in 2017 and 2018. This project was completed in the Fall of 2017 and includes the connection of the 3 Civic Plaza, Evolve, Prime on the Plaza and SFU developments as well as integrating the District Energy system with the City Hall geexchange heating plant to make use of its excess capacity.

2.2 Clayton Community Centre – Recreation, Arts & Library Facility

In consideration of the growth that has occurred in East Clayton and the growth that is expected over the next few years in West Clayton, the planning and concept design of a new community centre in Clayton that integrates arts, library, recreation and outdoor spaces in a single facility was completed in 2016, with detailed design being initiated in 2017. Construction will begin in the spring of 2018 and the project is expected to be complete in the Fall of 2020. The total project budget is to be \$42 million.

2.3 North Surrey Sport & Ice Complex

The existing North Surrey Arena contains 2 sheets of ice; one of the sheets was built in 1966 and is at the end of its useful life. To ensure that the users of that arena are not displaced due to a facility failure, it was necessary to plan and build a new three sheet replacement facility to accommodate this demand plus future growth. The replacement is taking place in South Westminster prior to closing the existing arena. Construction began in summer 2017 and is expected to be complete in the Fall of 2019. The multi-year budget requirement for this project is \$52 million.

2.4 Museum Expansion

The Museum expansion will address the Museum of Surrey's functional needs for gallery, program and work space. The design phase began in 2016; construction started in 2017 and is expected to be complete in the Fall of 2018. Included in this expansion will be a 2,500 sf flexible Feature Gallery for local, national and international exhibitions and programs, a dynamic atrium for community events, and back of house areas including additional collections storage, a fabrication workshop and office space. In addition, the Kids Explore Zone will be expanded from 800 sf to 2,000 sf to engage young families in Surrey in interactive and exciting ways. Supported by Federal Grants, additional work has been funded to compliment the museum expansion which includes a new Indigenous Hall, relocation and restoration of the 1881 Town Hall and 1891 Anniedale School to the site (interiors to be completed in 2019), and other campus improvements. The entire project is anticipated to cost \$14.7 million, with \$4.74 million coming from the Federal Government.

2.5 Cloverdale Sport & Ice Complex

Due to additional demand for ice sports, there is a need for a new twin sheet arena in the Cloverdale area. This new arena complex will be designed to be efficient and welcoming as it serves the community and the region for ice hockey, figure skating, public lessons & skating sessions, as well as dry floor summer use. Site clearing has been undertaken with construction expected to begin in early 2018. This facility is expected to open in the Winter of 2019 with a multi-year project cost of \$35 million.

2.6 RCMP Space Renovation at Old City Hall

The former City Hall has been upgraded to accommodate up to 574 members in an RCMP Detachment expansion. Staff will occupy the south tower and the main floor of the west wing. Interior renovations, system updates and improvements to the parking compound comprise the bulk of the expansion, which was completed in early 2017. Phase two of this project, renovations to Surrey RCMP Main detachment, are now underway following the occupation of the former City Hall, and are expected to be completed in 2018. A total of \$13.9 million was budgeted for both phases.

2.7 Biodiversity Conservation Program

In 2017, the City acquired 7 acres of parkland that fall within the Green Infrastructure Network identified in the Biodiversity Conservation Strategy. Further work is continuing on a financial strategy to increase the funding for acquisition.

2.8 Compressed Natural Gas ("CNG") Station - Main Works Yard

An upgrade to the current CNG station is underway. The new station will allow the City to continue with the program of replacing gas and diesel fuelled vehicles, with vehicles capable of running on CNG and Renewable Natural Gas ("RNG") once the Biogas facility is

operational. The use of CNG/RNG vehicles will continue to reduce our carbon footprint projecting us closer to our goal of eliminating our corporate carbon footprint. The contract has been awarded and construction of the new CNG station is expected to begin in early 2018, which will provide the City with fuelling capacity to convert our heavy vehicles to run on CNG/RNG, or a blended mix of diesel and CNG/RNG. This projects is expected to cost \$2.5 million

2.9 Training Centre Expansion – Hall # 9

The Training Centre Expansion is project has been awarded with preconstruction work underway with the vendor. Ground breaking is scheduled for November 2017 with an expected completion date in November 2018. When completed, the project will expand and reconfigure the Central Training Facility to allow for increased training services for all City Departments with added classrooms for lecture environments. The reconfiguration of the site will also improve traffic safety access to the site, and provide onsite parking that allows for unencumbered live public safety training exercises to run in conjunction with a revenue-based client schedule. The site design will provide for long term cost efficient training opportunities. Considerations in the future for potential in-house and client based revenue generated programs also exist. The total budget for this multi-year project is \$6 million.

2.10 Artificial Turf Replacement

Cloverdale Athletic Park Field #1 had the turf replaced in 2017, including a new under layer for improved safety, as well as new goal posts for football. This \$1.2 million project is funded from the Artificial Turf Replacement Reserve that has been established from the net operating surpluses from field management.

2.11 New Artificial Turf Fields

The 2017 Artificial Turf Field funding of \$1 million has allowed the City to begin construction on a new artificial turf field at Cloverdale Athletic Park as part of an on-going program that is intended to deliver an additional artificial turf field every other year. A Federal Grant is also allowing the City to include an artificial turf warm up field that expands the program and increases the efficiency of use for the field. With the 2018 funding allocation, the total project cost will be \$2 million.

2.12 Newton Urban Park

Thanks to a planning grant from the Federal Council of Municipalities (“FCM”) The Newton: Sustainability in Action project is working with the Newton community to plan a more sustainable community. The Newton Urban Park will be a manifestation of that plan as it will showcase community involvement in its design and realization. The park development is expected to cost \$3.61 million

2.13 Parks, Recreation & Culture Equipment Needs

Preschool equipment upgrades continue across the City’s 85 preschool classrooms along with improvements to recreation facility entrances that have been designed to ensure a welcoming and consistent experience for customers.

Additional deep cleaning equipment has also been purchased for various sites as well as replacing aging tables and chairs at various recreation facilities. A new sound system has been installed at Fraser Heights Recreation Centre and the PA system has been replaced at the Surrey Sport & Leisure Aquatics Complex, in addition to the new soft goods

(draperies) and an audio system that has been added to the Surrey Arts Centre Main Stage.

2.14 Performing Arts Space Feasibility and Land Acquisition

To further complement the existing Surrey Arts Centre's 400 seat theatre, and City Hall's Centre Stage 200 seat theatre, a new performing arts space is planned in the City Centre. Given the City's growth and large geographic area, there is demand for an additional performing arts space. The initial investment of \$10.8 million will support critical land acquisitions when identified.

2.15 Glades Parking

The new parking lot at the Glades Park is under construction and will improve access and safety during park openings such as Mother's Day when over 1500 people visit the park to view the flowering Rhododendrons and gardens. The total project cost is estimated at \$1.5 million.

2.16 Vehicle for Illegal Dumping

In 2015 the Solid Waste section initiated a goal to reduce illegal dumping and its associated costs by 50% over the next 5 years. The initial phase of the program involved a review of existing illegal dumping clean-up operations and piloting alternative approaches to determine the most effective approach to carrying out this work. The pilot phase was initiated in the Fall of 2015. The pilot phase of the project resulted in the successful reduction in the number of staff required to clean up illegal dumping, while at the same time significantly increasing the efficiency of the operation by leveraging alternative equipment, including a commercial rear-load garbage truck. During the pilot phase, the equipment needed to deliver this program was rented. Given the success of the program, the Solid Waste Section has initiated the purchase of the necessary equipment, which is expected to be delivered in mid-2018, to continue with this initiative. The equipment costs are expected to be approximately \$405,000.

2.17 Multi-Purpose Outdoor Sport Box

Design is underway for a new cover for an existing sports box at Cloverdale Athletic Park to provide further dry floor space for lacrosse and ball hockey. The expected cost of this project is \$300,000.

2.18 Newton Athletic Park Master Plan

An expanded community room was completed in 2017 at the Newton Athletic Park, which doubles the space available for seniors to meet and socialize, and can be utilized to support tournament meeting space. Design is underway for a new artificial turf warmup area south of Field 1 that will also be able to be covered in the future.

2.19 Interurban Railway Storage Barn

An addition to the Interurban Railway storage barn was required to accommodate the TransLink donation of BCER Car 1231 to the Fraser Valley Heritage Railway Society. This project has been supported through the City's Canada 150 Heritage program. The storage barn expansion was completed in October and the BCER Car arrived in early November. The City contributed \$150,000 towards this project.

2.20 Clverdale Athletic Park Fieldhouse

With the approval of a grant from the Federal Government, the City of Surrey and the Surrey United Soccer Club have partnered together to construct a new fieldhouse at the Cloverdale Athletic Park. Design is underway for the fieldhouse that includes washrooms, change rooms, community space and office space for Surrey United. The City's contribution to this multi-year project is \$2.375 million.

2.21 South Surrey Contemporary Art Gallery and Café

The Surrey Cultural Plan recommends the development of additional gallery space in the City. An artist-run contemporary gallery and café is proposed to be operated with an arts organization in the South Surrey area. The Gallery will provide exhibition space, collaborative area and a café to foster the development of the arts community and build community engagement related to the arts. Space has not been identified as yet and may be integrated into a mixed use development. This multi-year project is expected to cost \$3 million.

2.22 Community Safety Centre

In 2017, a study was completed to determine the feasibility of building a Community Safety Centre ("CSC") to anchor our public safety prevention initiatives. It was determined that the capital requirements for such a centre are prohibitive. The project will not proceed.

2.23 Vehicle for Cart Delivery

In 2013 the Solid Waste Section established an in-house Cart Maintenance and Management Program. Since this program was initiated, the City has experienced a 10% increase in service requests. A 3-Tonne truck was rented on a month to month basis at a cost of \$28,000 annually to address the additional demand. It was determined that purchasing a 3-tonne truck amortized over a 7 year period would result in greater cost savings compared to the ongoing cost to rent the same unit. The purchase of this unit is underway, with delivery expected in mid-2018.

3.0 DISCUSSION

The Annual Capital Program is composed of the following elements:

- 1) On-going general capital programs and minor capital projects to maintain and/or enhance the City's current inventory of infrastructure, and
- 2) Major capital, which includes a series of new large-scale capital projects that will be constructed over the next few years to support business and residential growth over the next 10 years.

3.1 Available Funding for the Capital Program

The following table documents the revenue sources of funding that are expected to be available in each of the next five years to support the Annual Capital Program.

	2018	2019	2020	2021	2022
General Program					
Contribution from General Operating	\$ 9,800	\$ 12,400	\$ 15,200	\$ 18,200	\$ 21,200
Proceeds from Gaming Revenue	4,500	4,600	4,700	4,800	4,900
Proceeds from SCDC Dividends	4,500	4,500	4,500	4,500	4,500
Proceeds from Tree Replacement Revenue	2,000	2,025	2,050	2,075	2,100
Contribution from City Reserve Funds	5,236	4,411	4,596	4,992	5,138
Other Contributions	1,325	3,899	0	0	0
Canada Grant	4,905	166	165	0	0
Prior Years' Operating Savings	500	0	500	0	0
Internal Borrowing	83,162	22,143	7,300	22,930	61,990
Amenity Contributions	0	120	0	3,750	0
Contributions from Utility Funds	12,293	7,560	9,191	15,795	16,217
TOTAL FUNDING SOURCES	\$ 128,222	\$ 61,824	\$ 48,202	\$ 77,042	\$ 116,045

(in thousands of dollars)

3.2 On-going Capital Requirements

On-going capital is required to sustain our existing assets through major maintenance type initiatives such as building envelope, roof repairs, technology enhancements, and to initiate minor facility enhancements such as flooring and washroom improvements along with minor park enhancements.

The following table documents the breakdown of funding required over the next five years.

	2018	2019	2020	2021	2022
Building Repairs and Upgrades	3,558	2,925	3,215	3,280	3,780
Parking Lot Repairs and Upgrades	250	250	250	250	250
Library Books	2,100	2,100	2,100	2,100	2,100
City Beautification - Green City Program	1,325	1,350	1,375	1,400	1,425
Sundry & Contingency	550	600	650	750	800
Land Purchases	500	500	4,000	11,150	6,000
Contribution to New Technology	1,600	1,500	2,000	2,500	3,000
Contribution to Roads & Traffic	5,605	5,957	6,330	6,725	7,057
Contribution to Parks Development	3,540	3,516	3,750	3,500	4,200
TOTAL ON-GOING CAPITAL REQUIREMENTS	\$ 19,028	\$ 18,698	\$ 23,670	\$ 31,655	\$ 28,612

(in thousands of dollars)

Some of the initiatives that will be addressed over the next five years include exterior and interior upgrades, building envelope repairs, video surveillance, park staircase repairs, playground renovations and minor park improvements.

3.3 Major Capital

The following table identifies the major capital projects that are expected to be undertaken over the next five years. They are categorized between capital funded from borrowing and/or general operating and self-funded capital.

3.3.1 General Capital

	2018	2019	2020	2021	2022
FUNDED FROM BORROWING/GENERAL OPERATING					
3.3.1.1 Cloverdale Sport & Ice Complex (total \$35M)	29,000	0	0	0	0
3.3.1.2 North Surrey Sport & Ice Complex (total \$52M)	16,500	0	0	0	0
3.3.1.3 Performing Arts Space Feasibility & Land Acquisition	10,000	0	0	0	0
3.3.1.4 Clayton Community Centre (total \$42M)	9,750	12,000	0	0	0
3.3.1.5 Museum Expansion (total \$14.7M)	8,740	0	0	0	0
3.3.1.6 Hawthorne Rotary Park Improvements	3,000	0	0	0	0
3.3.1.7 RCMP Cell Block/Exhibit Expansion	3,000	5,000	0	0	0
3.3.1.8 RCMP District Office Relocation	3,000	0	0	0	0
3.3.1.9 Cloverdale Athletic Park Fieldhouse	2,275	0	0	0	0
3.3.1.10 Cloverdale Library Renovation	2,250	0	0	0	0
3.3.1.11 New Artificial Turf Fields	2,100	1,000	0	0	0
3.3.1.12 Additional Parking at Grandview Pool	1,800	0	0	0	0
3.3.1.13 PRC Equipment Needs	1,265	155	0	0	0
3.3.1.14 The Glades	1,000	1,000	1,500	0	0
3.3.1.15 Newton Athletic Park Master Plan	1,000	2,000	0	0	0
3.3.1.16 Newton Urban Park	1,000	0	0	0	0
3.3.1.17 Surrey Nature Centre Improvements	800	0	0	0	0
3.3.1.18 Cultural Corridor - Art Space at City Centre Phase 2	500	1,232	0	0	0
3.3.1.19 Strawberry Hill Hall/RA Nicholson Park	365	300	500	0	0
3.3.1.20 South Surrey Contemporary Art Gallery & Café	250	2,650	0	0	0
3.3.1.21 Nicomekl Riverfront Park	200	1,200	1,200	0	0
YMCA Agreement	0	10,000	10,000	0	0
Modular Childcare Spaces	0	0	3,300	0	3,300
Fleetwood Community Centre Expansion	0	0	0	16,000	0
Grandview Heights Community Park	0	0	0	7,500	0
Fleetwood Library Expansion	0	0	0	6,000	0
Indigenous Gathering Place	0	0	0	1,250	0
Grandview Heights Community Centre	0	0	0	0	45,000
Grandview Heights Library	0	0	0	0	13,000
Newton Library Expansion	0	0	0	0	11,260
TOTAL PROPOSED NEW PROJECTS	\$ 97,795	\$ 36,537	\$ 16,500	\$ 30,750	\$ 72,560

(in thousands of dollars)

3.3.1.1 Cloverdale Sport & Ice Complex

Due to additional demand for ice sports, there is a need for a new twin sheet arena in the Cloverdale area. The new arena complex will be designed to be efficient and welcoming as it serves the community and the region for ice hockey, figure skating, public lessons and skating sessions, as well as dry floor summer use. This facility will have 2 regulation size ice sheets, multipurpose rooms, community meeting spaces, food service, additional dressing rooms and room for further expansion. It is expected that this multi-year project will cost \$35 million to complete and will open in the Winter of 2019.

3.3.1.2 North Surrey Sport & Ice Complex

The existing North Surrey Arena contains 2 sheets of ice; one of the sheets was built in 1966 and is at the end of its useful life. To ensure that the users of that arena are not displaced due to a facility failure, it has been necessary to plan and build the replacement of the 2 sheets prior to closing the existing arena. An additional sheet of sheet of ice is also being added to meet the growing demand for ice sports and dry floor

use in the City, resulting in a 3 sheet sports complex in South Westminster. The facility will also include program space, multipurpose and community meeting spaces, food services and room for further expansion. It is anticipated that the multi-year budget requirement for this project will be \$52 million and will open in the Fall of 2019.

3.3.1.3 Performing Arts Space Feasibility and Land Acquisition

To further complement the existing Surrey Arts Centre's 400 seat theatre and City Hall's Centre Stage 200 seat theatre, a new performing arts space is planned in the City. Given the City's growth and large geographic area, there is demand for an additional performing arts space. The initial investment of \$10.8 million will support critical land acquisitions when identified.

3.3.1.4 Clayton Community Centre – Recreation, Arts & Library Facility

In consideration of the growth in East Clayton and the development expected over the next few years in West Clayton, the new Clayton Community Centre will include visual and performing arts components, a library and associated circulation management spaces, a gymnasium, fitness and weight rooms, preschool/daycare facilities, child minding space, youth gathering space, staff spaces and supporting infrastructure and spaces. Detailed design is currently in progress and construction is expected to begin in 2018. The total project budget is expected to be \$42 million.

3.3.1.5 Museum Expansion

The Museum expansion will address the Museum of Surrey's functional needs for gallery, program and work space. The design phase began in 2016, construction started in 2017 and is expected to be complete in Fall 2018. Included in this expansion will be a 2,500 sf flexible Feature Gallery for local, national and international exhibitions and programs, a dynamic atrium for community events, and back of house areas including additional collections storage, a fabrication workshop and office space. In addition, the Kids Explore Zone will be expanded from 800 sf to 2,000 sf to engage young families in Surrey in interactive and exciting ways. Additional work has been funded to compliment the museum expansion, some through Federal Grants. This includes the addition of an Indigenous Hall, relocation and restoration of the 1881 Town Hall and 1891 Anniedale School to the site (interiors completed in early 2019), and other campus improvements. The entire project is anticipated to cost \$14.7 million, with \$4.74 million coming from the Federal Government.

3.3.1.6 Hawthorne Rotary Park Improvements

Public Consultation is underway to develop the Hawthorne Rotary Park Master Plan. Proposed improvements will include biodiversity and environmental enhancements, improved access to the park, new walking trails, a new water park, a destination scale playground, new washroom building, and new fenced off leash dog area.

3.3.1.7 RCMP Cell Block/Exhibit Expansion

The Surrey RCMP Detachment Cellblock and Exhibits areas are rapidly reaching maximum capacity. Expansion in both areas is required to meet the current and future operational needs of the Surrey RCMP Detachment. The City has engaged the services of an architectural firm for the purposes of a feasibility study, needs analysis and high level costing. DGBK Architects are providing design options to accommodate future growth projections in the Cellblock and Exhibits areas over the next 10-15 years. It is

anticipated that the design for this expansion will take place in 2018, followed by a 2019 construction start.

3.3.1.8 RCMP District Office Relocation

The current District Three (“Newton”) and District Four (“Cloverdale”) Community Police Offices are leased spaces. The City’s Realty Department is currently negotiating a new lease for the Newton office and exploring options for the relocation of the Cloverdale office. This funding will provide for leasehold improvements and relocation expenses.

3.3.1.9 Cloverdale Athletic Park Fieldhouse

The City has been successful in receiving a Federal Grant, allowing the City to Partner with the Surrey United Soccer Club to construct a new fieldhouse at the Cloverdale Athletic Park. Design is underway for the fieldhouse, which will include washrooms, change rooms, community space and office space for Surrey United. The fieldhouse will further enhance Cloverdale Athletic Park as a sports tournament destination.

3.3.1.10 Cloverdale Library Renovation

The Museum of Surrey will be expanding and revamping the layout of the entrances and parking, including the entrance to the Cloverdale Library. In order to realign operations to the new entrance, reorganization of the functions and spaces (both staff and public) within the library are required. Interior renovations will add dramatic improvements in layout and workflow adjacencies, resulting in further opportunities for collaboration with the museum and enhanced services for the public.

3.3.1.11 New Artificial Turf

Continuing the City’s investment in artificial turf maximizes usage of the City’s sports fields and lowers operating costs. Funding in 2018 will complete the new artificial turf field at Cloverdale Athletic Park and also fund upgraded turf surfaces at Tamanawis Park for field hockey and South Surrey Athletic Park for the Soccer Nationals Tournament. Total project costs are \$4.3 million and there will be no additional operating costs associated with this project as costs are recovered through user fees for the artificial turf fields. This is an on-going program that is intended to deliver an additional artificial turf field every other year.

3.3.1.12 Additional Parking at Grandview Pool

The design for the additional parking lot at Grandview Pool is underway, including a master drainage plan for the Grandview Heights Campus that plans for future facilities in the precinct.

3.3.1.13 Parks, Recreation & Culture Equipment Needs

Items included in the recreation equipment needs request include additional fitness equipment for the North Surrey Arena & Sport Complex and a new accessible bus. In addition, preschool programs across the City continue with their equipment upgrading, along with improvements to facility entrances to ensure a welcoming and consistent experience for our customers. Improvements also need to be completed for the Main Stage theatre, gallery signage and equipment at the Surrey Arts Centre.

3.3.1.14 The Glades

The City has acquired the 5 acre property to the south of The Glades Park. An update to the park master plan is completed with parking areas, garden pavilion, new horticultural areas, events lawn and maintenance area. These improvements will allow the park to open more frequently and remove parking from the busy 172 Street at the front of the park. In 2017, the City developed a new parking area. Funding in 2018 and 2019 is required to complete the master plan. This multi-year project is expected to be \$4 million.

3.3.1.15 Newton Athletic Park Master Plan

The Newton Athletic Park project is the continued development of the park to create a regional sport tournament destination as well as a complete destination park for the rapidly growing community of Newton. Remaining projects include: renovations to the existing fieldhouse to improve its tournament hosting facilities; development of a covered artificial practice field; and a new field house on the north end of the park to provide improved facilities for seniors and sport user groups.

3.3.1.16 Newton Urban Park

The Newton Urban Park project will create a central urban park for the Newton Town Centre including festival and public event spaces. It will encourage and develop place-making opportunities through public art and urban design elements. The multi-year budget for this project is \$3 million.

3.3.1.17 Surrey Nature Centre Improvements

The Surrey Nature Centre project includes improvements to the parking, entrance area and outdoor spaces at the Surrey Nature Centre in order to improve its performance and ability to host large school groups.

3.3.1.18 Cultural Corridor – Art Space at City Centre Phase 2

The Cultural Corridor is comprised of cultural opportunities generally following King George Boulevard, from City Centre to South Surrey. Phase 1 delivered approximately 2,500 square feet of a 7,500 square foot building in the City Centre as art space that is operated by the Royal Canadian Theatre Company and Streetrich Hip Hop Society. The proposal for Phase 2 is to develop additional art space and realize a Creative Hub in City Centre that will house multiple cultural organizations. Additional art and cultural opportunities along the Cultural Corridor will engage the artistic community in creating positive destinations for local residents and visitors.

3.3.1.19 Strawberry Hill Hall/RA Nicholson Park

The Strawberry Hill Hall/RA Nicholson Park project is a combined Parks & Recreation Services project to renovate Strawberry Hill Hall to accommodate daycare space while also expanding RA Nicholson Park and providing more outdoor recreation opportunities for residents in Newton. Strawberry Hill Hall is a heritage listed building and its renovation and long term retention will be a great benefit.

3.3.1.20 South Surrey Contemporary Art Gallery & Cafe

The Surrey Cultural Plan recommends the development of additional gallery space in the City. An artist-run contemporary gallery and café is proposed to be operated within an arts organization in the South Surrey area. The Gallery will provide exhibition

space, a collaborative area, and a café to foster the development of the arts community and build community engagement related to the arts. The space may be integrated into a mixed use development.

3.3.1.21 Nicolmekl Riverfront Park

The City is achieving a complete park system along the south bank of the Nicomekl River including three large park sites. A master plan is being developed that will create a continuous path network through the park system along with opportunities for a boat launch and other activities along the Nicomekl River. This project is expected to cost \$2.6 million over the next three years.

3.3.2 Self-Funded Capital

		2018	2019	2020	2021	2022
SELF FUNDED PROJECTS						
3.3.2.1	District Energy System	7,524	2,464	3,748	9,984	10,101
3.3.2.2	Biodiversity Conservation Program	3,875	4,125	4,284	4,653	4,772
TOTAL SELF FUNDED NEW PROJECTS		11,399	6,589	8,032	14,637	14,873

(in thousands of dollars)

3.3.2.1 District Energy System

Construction of the West Village Park and District Energy Centre commenced in August 2017 and is scheduled for completion in the Fall of 2018 at which time the temporary natural gas boilers that are currently located on the site will be relocated.

In 2017, the 3rd phase of the district energy network expansion was completed including piped connections to 4 new customer buildings in the Surrey Central area. This project was completed in the Fall of 2017 and includes the connection of the 3 Civic Plaza, Evolve, Prime on the Plaza and SFU developments as well as integrating the District Energy system with the City Hall geexchange heating plant to make use of its excess capacity.

Further phases of the district energy network expansion are planned for 2018 to extend the network east across King George Blvd in order to provide service to the Anthem Developments project at 102 Ave between King George Blvd and Whalley Blvd. Surrey City Energy will continue to expand this network in order to add new customers to the system in step with new development in the City Centre area.

District Energy infrastructure costs are fully recovered from future customers through their rate structure.

3.3.2.2 Biodiversity Conservation Program

The rollout of the Biodiversity Conservation Program continues as a major component of the City's management plans, include the acquisition of land. A funding strategy for the acquisition program is still in development with implementation anticipated in 2018. Dedicated staffing is also anticipated in 2018 that will oversee the program's highest priority projects.

3.4 Proposed 2018 Capital Program for Roads, Sewer, Drainage and Water

The table in section 3.3.1 addresses the capital projects that are funded from General Revenue. Capital funding is also available from Development Cost Charges, the GVTA (TransLink) and Sundry Developer Contributions. The total funding amounts available in 2018 for all Engineering and Parks-related Capital Infrastructure Projects are listed below:

Arterial	\$ 96.5M
Local/Collector Roads	10.4M
Drainage	19.0M
Sewer	22.8M
Water	20.1M
Parks Acquisition & Development	<u>61.4M</u>
Total	<u>\$ 230.2M</u>

As in previous years, a detailed list of the Engineering and Parks-related capital projects to be completed in 2018 will be provided to Council for their consideration, in the next few months. These Capital Infrastructure Projects will be in line with the 10-Year Servicing Plan. An overview of the entire Capital Program is attached as Appendix "II" to this report.

SUMMARY

To allow the completion of the 2018 Five Year (2018–2022) Capital Financial Plan, it is recommended that the Finance Committee recommend that Council:

1. Approve the capital projects as outlined in Section 3.0 of this report, and
2. Direct Staff to prepare the 2018 Five Year (2018-2022) Capital Financial Plan incorporating these projects.



Kam Grewal, CPA, CMA
General Manager, Finance



Vincent Lalonde, P. Eng
City Manager

KG:llh

Attachments:

Appendix "I": 2017 Five Year (2017–2021) Capital Financial Plan

Appendix "II": 2018–2022 Capital Financial Plan

Appendices available upon request