



**Subject: Multi-Use Recreation Facility Project Requirements**

**Report Number:** RCP 25-002

Department: Recreation, Culture and Parks Department

Submitted by: Andrea Greenway, Director of Recreation, Culture and Parks

Meeting Type: Council Meeting

Meeting Date: Monday, March 10, 2025

**RECOMMENDATION**

- A. THAT report RCP 25-002 titled “Multi-Use Recreation Facility Project Requirements” be received; and
- B. THAT an RFP for a Feasibility Study for a Multi-Use Recreation Facility be developed, with bid submissions brought back to Council for consideration.

**BACKGROUND**

At the December 9, 2025 meeting, Council received a presentation from the Past President of the Kinsmen Club and the President of Tillsonburg Basketball who proposed a new Multi-Use Recreation Facility be built in Tillsonburg through community and town support as well as the Community Sport and Recreation Infrastructure Fund Stream 2: New Builds/Signature New Builds. This presentation was first received by the Sports & Recreation Advisory Committee in November.

Following the presentation, the Council passed this resolution on December 9, 2024:

***Resolution # 2024-582***

***Moved By: Councillor Spencer***

***Seconded By: Deputy Mayor Beres***

***A. THAT report titled “New Multi-Use Recreational Facility Proposal” be received as information; and***

***B. THAT staff provide a report to Council on the Multi-Use Rec Facility Project including the grant application process, affordability, location ideas and other potential funding sources.***

***Carried***

**DISCUSSION**

Per Council direction, Staff reviewed the application criteria (included as attachment) and consulted with the Ministry of Sport Regional Advisor to gain better insight into grant requirements and timelines.

## Grant Application Process

Below is a brief overview of the guidelines for the Community Sport and Recreation Infrastructure Fund – Stream 2: New Builds/Signature New Builds:

- The application intake period is from August 19, 2024 – March 31, 2027
- The purpose of Stream 2 is to invest in new, transformative community sport and recreation infrastructure, including assets that do not currently exist in a community or the replacement of existing assets that have reached the end of their lifespan
- Eligible applicants include:
  - Municipalities
  - Local services boards
  - Not-for-profit organizations
  - Indigenous communities and organizations
  - For-profit organizations
- Eligible applicants can apply for up to \$10 million for project funding. Municipalities, local boards and not-for-profit organizations can request up to 50% of eligible project costs. The recipient must cover the remaining 50% of costs.
- Approved projects must be completed, with all eligible expenses incurred, no later than March 31, 2027.
- Eligibility requirements are as follows:
  - The applicant must operate or manage a sport or recreation facility/space or other community facility/space that offers sport or recreation programming.
  - The applicant owns or has a long-term lease agreement for the community facility/ space or land and has the necessary authority or permission to undertake the project.

During the meeting staff had with the Ministry of Sport, the Regional Advisor emphasized these items for consideration ahead of applying for the grant for a Multi-Use Recreation Facility (MURF):

- The Ministry is seeking 'shovel-ready' projects to support
- The landowner must be the applicant for the grant, *unless* a lease agreement is executed and provided to the Ministry, between the landowner (Town) and the agency submitting the application (i.e. Kinsmen Club)
- Approximately 50% of the assessment of the application is based on the feasibility study submitted with the application. In absence of a feasibility study,

the applicant (Town) must provide a case of community need and community support, through a survey, letters of support and similar documentation

- The application must be accompanied by a specific Council motion which will include exact amount of monies directed to the proposed project with a clear contribution plan
- To apply for special consideration – in order to receive 70% funding and contributing 30% rather than the 50/50 funding - a case must be presented with details on why special consideration is being requested. This application will go through a separate assessment process
- A detailed business case must be presented, with letters of confirmation of funds if they are to come from outside of the Town of Tillsonburg, in form of partnership agreement(s)
- The business case must show options for funding for 50/50 contribution as well as 70/30 share
- Drawings, permits and similar supporting documents are part of the application
- Per application criteria, ALL construction MUST be completed by the end of March, 2027

In reviewing the above grant application requirements, staff note the following:

- The Town of Tillsonburg would be required to be the grant applicant if the MURF is built on Town land.
- The project is not currently shovel ready. In order to qualify there must be information included in the application such as but not limited to; approved location, site plan, building design, scope of project (facility components), and costing of the project including funding sources/agreements
- There is no confirmation at the time of writing this report of outside funds for the project. The Kinsmen Club has not committed to the project as they would require more details. Early indications are that they are considering a \$3 Million commitment split between sponsorship, fundraising and in-kind work and that they would look to the Town/grant funding to cover the balance for this project.

### **Parks and Recreation Masterplan Recommendation**

During the public consultation phase of the Parks and Recreation Masterplan, the consultants heard that there is a need for additional sports facilities in the Town of Tillsonburg. They had the following recommendations related to this item:

**F 3.** Conduct a detailed feasibility study to determine the need for new/updated Community Centre facility components including existing (health/fitness club, senior centre, rental space), and new (multi-purpose program space, gymnasium) facilities

**F 7.** Plan to add a gym and more multi-purpose space(s) to future facility supply, to be assessed as part of the feasibility study.

These recommendations support exploring a multi-use recreation facility and the feasibility of adding additional amenities to the recreation facility supply.

### Location

At the time of presentation to Council, there were several sites put forward as potential location of the proposed facility. There are no permits, surveys, zoning or confirmed availability on any of the proposed sites. The following site options were proposed during the delegation:

#### 1. Memorial Park

There are three potential areas that could be options for a MURF within the memorial park grounds. The area is ideal due to the proximity of the existing Community Centre to keep services centralized. All options would require the relocation of existing ball diamonds



#### 2. Victoria Woods

This parcel of land is in a subdivision and less accessible, however it is a large area and zoned as open space so would be the least disruptive option because there are no existing services to be relocated.

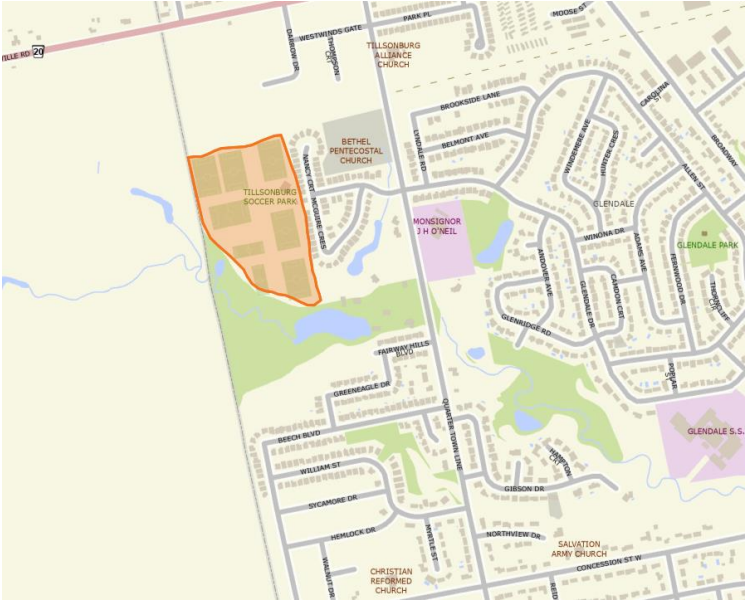


3. Project Big Swing lands

While these lands are ideal in terms of a future recreation hub, the lands are not currently serviced, which means a servicing feasibility analysis is required. Depending on the feasibility of servicing, it may not be possible to complete the MURF project by March, 2027 is relatively low.

4. Soccer Park

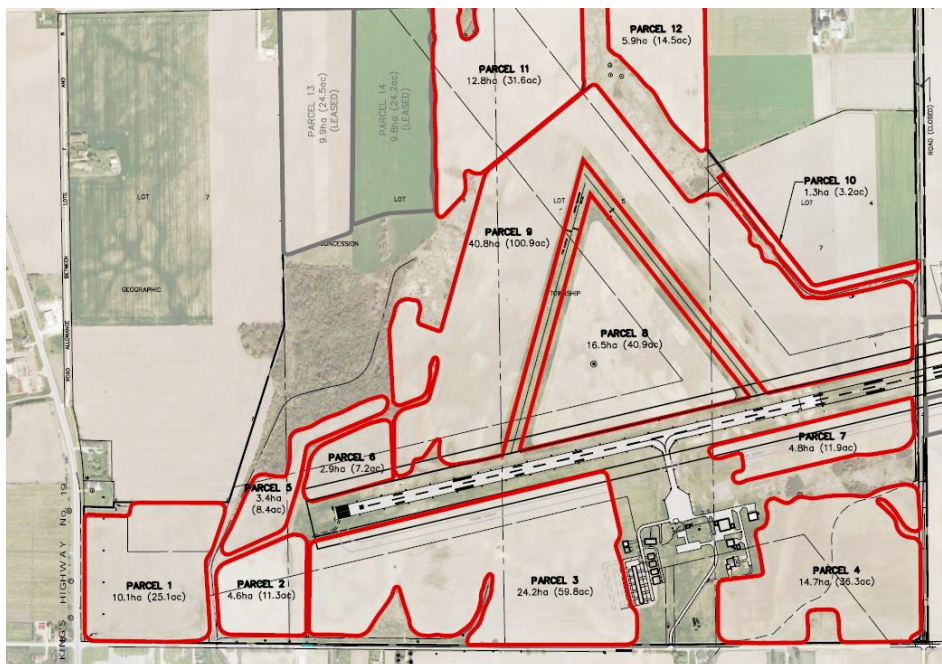
These lands were suggested, however given that soccer would be displaced and the soccer club has an agreement with the Town for land use, this location is not recommended.





### 5. Tillsonburg Airport

While it wasn't identified as a potential option in the presentation, the Tillsonburg Airport is owned by the Town and could be considered as a site for a Multi-Use Recreation Facility. Parcel 1 would be the ideal location if airport lands are used but parcels 2 and 3 could also be options. This option is the least favourable due to its existing use.



### Affordability and potential funding sources

During the delegation, a figure of \$14 million was noted as the cost for a Multi-Use Recreation Facility that includes two multi-sport courts, batting cages, a walking track, indoor soccer pitches, storage space, change rooms, a community room and common areas. The goal of the presenters was to accommodate the following sports in the space: basketball, volleyball, pickleball, soccer, indoor football, walking, track and field, baseball, badminton and lacrosse.

In reviewing a recent feasibility study (2022) for the City of Sarnia with a similar project scope, the cost was estimated at \$26,416,481 for an option that included 3 fields with a floor area of 109,227 square feet (SF). A larger option that included a FIFA (soccer) field for greater tournament potential and 4 fields with a floor area of 127,760 square feet was estimated at \$33,295,511. Given that there was no financial information included to support the \$14 million estimate presented, and based on the review of Sarnia's feasibility study, the calculations below for a Multi-Use Recreation Centre uses

the dollar per square foot estimates in the 2022 Sarnia study as a reference point, accounting for 10% inflation per year on construction costs (the numbers in the study were from 2021, the consultants suggested adding 10% inflation per year for building in future years):

<b>Component</b>	<b>Floor area</b>	<b>Cost</b>
Recreation Area	47,610 @ \$293/SF	\$13,949,730
Facilities Area	15,980 @ \$439/SF	\$7,015,220
Site work and parking	Lump sum	\$1,465,000
<b>Sub-total</b>		<b>\$20,966,415</b>
Engineering and Architectural Fees	7% of construction	\$1,467,649
<b>Total Estimated Cost</b>		<b>\$22,434,064</b>

The cost above does not include any environmental impact studies or project management fees, the estimate is based on architectural, engineering and construction costs only. For the purpose of assessing affordability the estimate of \$22.5 Million is being used.

Grant funding*	\$10 Million
Potential community sponsorship*	\$3 Million
Town portion	\$9.5 Million

\*Unconfirmed funding, if these funds are not available the Town would be responsible for the full \$22.5M project.

Further analysis regarding affordability and funding sources are explored below under Financial Impact/Funding Source.

## **CONSULTATION**

Director of Finance, Economic Development Commissioner

Finance staff feel that undertaking a feasibility study would be a prudent step for several reasons:

1. Economic Viability
  - A feasibility study can evaluate the economic impact of the facility, including costs of construction, maintenance, and operations and compare those against expected revenue from user fees, events, and other sources to assess if the project is financially viable.
2. Demographic and Usage Analysis

- Understanding the municipality’s demographics and potential facility usage rates helps project long-term sustainability.
- It ensures the facility’s size, features, and programming align with current and future population trends.
- It avoids constructing a facility that does not meet the actual needs of the residents.

### 3. Site Selection and Environmental Impact

- A feasibility study can review and evaluate potential sites for the facility, considering factors like accessibility and land use compatibility.
- It identifies any zoning or environmental concerns that need to be addressed before construction.

### 4. Economic and Social Benefits

- The study can explore how the facility might contribute to local economic development through job creation or increased tourism.
- It considers how the facility could enhance quality of life, health, and community engagement, which are often harder to quantify but critical to public support.

### 5. Competitive Landscape

- It assesses the presence of similar facilities in neighboring municipalities to avoid duplication and ensure the facility can attract users from within and beyond the community.

### 6. Risk Mitigation

- By analyzing potential challenges such as budget overruns or insufficient demand, a feasibility study helps the municipality make an informed decision and develop strategies to mitigate risks.
- The study would provide data-driven insights to guide the decision as to whether to proceed with the project or modify plans.

Staff capacity to complete a full and accurate analysis described above is limited. Thus, it would be important to seek external expertise so that all of the above elements be incorporated into the RFP requirements.



**FINANCIAL IMPACT/FUNDING SOURCE**

Prior to a grant application there would need to be a business case, drawings, permits other supporting documents such as a financial analysis of estimated capital costs and future operating costs. If Council wishes to apply for the grant for a MURF, a feasibility study is recommended in order to capture all of the grant requirements for the project.

The feasibility study was estimated at \$85,000 in the Parks and Recreation Master Plan. The cost would be eligible for DC funding of \$57K, with the remaining \$28K would have to come from the Facilities Reserve or a partner contribution.

If we assume with the environmental impact studies and project management fees the total facility cost is \$24-\$25M, then depending on whether the partner contribution and grant funding would be received, we could see three scenarios:

	Cost	Less: Grants/Other	DC Funding	Town Funding
Scenario 1:	\$ 24,000,000	\$ 13,000,000	\$ 3,750,194	\$ 7,249,806
Scenario 2:	\$ 24,000,000	\$ 3,000,000	\$ 13,250,194	\$ 7,749,806
Scenario 3:	\$ 24,000,000	\$ -	\$ 16,100,194	\$ 7,899,806

In any scenario, any grants or other funding received would reduce the amount of DC funding that would be eligible for the project. The Town portion would range from \$7.2M to \$7.9M, which would have to be debt financed.

One caveat is that if the amount of DC funding is not available (as not enough growth has occurred yet to receive the DC funds), then the Town would have to borrow the unavailable amount as well, and have the DC Reserve pay the Town back, with interest. We would also have to assess the timing of other capital projects subject to debt financing vis-à-vis the Town’s borrowing limit.

**Debt Load Analysis**

The 10-year Capital forecast that was presented to Council during budget 2025 deliberations has been updated following further Council direction (see Appendix E).

The Kinsmen Bridge project in the 2025 budget will have \$2.056M debt financing. This will be on top of the 2024 approved project debt costs of \$13.4M for Big Swing and VIP Phase 2.

New Debt 2025	Principal	Interest	ARL
Project Big Swing (\$4.3M/15 yrs)	\$ 289,600	\$ 161,916	9.97%
VIP Phase II (\$9M/20 yrs)	\$ 450,000	\$ 356,426	12.80%
Kinsmen Bridge (\$2.056M/15 yrs)	\$ 137,066	\$ 81,066	13.57%
Total 2025	\$ 876,666	\$ 599,408	

That will bring the Town’s Annual Repayment Limit (ARL) to 13.57%. The maximum ARL is set by the Province for municipalities at 25%. This is the maximum principal and interest payments as a percentage of a municipality’s own source revenues that a municipality can borrow.

Council direction also included Resolution # 2024-589, reducing the Town Hall cost at \$11M (2024\$) with 50% funded from land sales, the other 50% from debt. Once that debt is taken on, that will increase the ARL to 15.13%.

With updated figures, the 10-year Facilities Capital forecast (Appendix E) also includes the following \$71M expenditures:

		Funding		
		Cost	DCs	Debt
New Multi-Use Facility		25,000,000	\$ 7,899,806	17,100,194
Fire Station Reno & Expansion		3,000,000	\$ 1,568,736	1,431,264
New Public Works Yard		14,000,000	\$ 2,519,476	\$ 11,480,524
New Third Ice Pad		28,939,127	\$ 18,313,271	\$ 10,625,856
Total		70,939,127	30,301,289	40,637,838

As this report considers the Multi-Use Facility (MUF) being constructed earlier than the DC background study had identified, the Town would have to use debt financing upfront and have the DCs pay the Town back as the DCs are received.

Taking that into consideration, the impact to the ARL would be as follows:

	Principal	Interest	ARL	
Town Hall (\$5.5M/25 yrs)	\$ 220,000	\$ 225,404	15.13%	(\$5.5M/25 yrs)
Multi-Use Facility (\$25M/30 yrs)	\$ 833,333	\$ 1,043,657	21.72%	(\$25M/30 yrs)
Fire Hall Reno (\$1.5M/15 yrs)	\$ 100,000	\$ 55,895	22.27%	(\$1.5M/15 yrs)
PW Works Yard (\$11.5M/30 yrs)	\$ 383,333	\$ 480,082	25.30%	(\$11.5M/30 yrs)
Third Ice Pad (\$10.6M/30 yrs)	\$ 353,333	\$ 442,511	28.09%	(\$10.6M/30 yrs)
	\$ 1,890,000	\$ 2,247,549		

The chart above shows that the Town cannot afford to undertake all the projects identified within the 10-year timeframe.

More importantly, this chart accounts for Facilities capital projects ONLY. There would be no debt room for other capital projects such as Roads, Bridges, Culverts, Storm, etc.

Another major point to emphasize - even with all of the Town’s debt capacity used up, the Facilities 10-yr capital (see Appendix) is shown at a cumulative DEFICIT of \$21.4M. Even with a possible \$10M in grant funding for the MUF, that would still leave Facilities in a deficit.

## **CORPORATE GOALS**

How does this report support the corporate goals identified in the Community Strategic Plan?

- Lifestyle and amenities
- Customer service, communication and engagement
- Business attraction, retention and expansion
- Community growth
- Connectivity and transportation
- Not Applicable

Does this report relate to a specific strategic direction or project identified in the Community Strategic Plan? Please indicate section number and/or any priority projects identified in the plan.

**Goal** – Within the community, Tillsonburg will strive to offer residents the amenities, services and attractions they require to enjoy balanced lifestyles; The Town of Tillsonburg will accommodate and support sustainable growth.

**Strategic Direction** – Target new programs, services, amenities and attractions that will be a magnet for young families; Expand community partnerships in the delivery of programs and amenities; Plan and develop a long-term financing strategy for new services and infrastructure to support growth.

**Priority Project** – N/A

## **ATTACHMENTS**

- Appendix A – Community Sport and Recreation Infrastructure Fund
- Appendix B – City of Sarnia Feasibility Study – Indoor Multi-Use Recreation Facility
- Appendix C – Town of Tillsonburg Parks and Recreation Master Plan
- Appendix D – Tillsonburg MURF design presented at delegation
- Appendix E – 2025 – Facilities 10-YR capital Forecast - updated