



REQUEST FOR DECISION

File # 7900-20

Report To: **Mayor and Council**
From: **Lucas Panoulias, Chief Corporate Services Officer**
Subject: **Administration Report No. 0006/26
New Aquatics Facility Update**
Meeting: **Committee of the Whole**
Meeting Date: **March 23, 2026**

CAO'S COMMENTS:

This is an opportunity to provide a review of the engagement that has led to the preliminary concept design. This report compiles some of the financial and operational assumptions that are being used in planning the replacement for the aging North Peace Leisure Pool.

OPTIONS:

N/A

DEFINE THE TOPIC:

The purpose of this presentation is to provide Council with an update on the concept design, project timeline, Class D cost estimate, funding strategy, and projected timeline of the proposed aquatics facility and fieldhouse.

KEY INFORMATION:

The concept design and costing for the new Aquatics Facility project is in its final stages, establishing a clear vision, scope, and Class D cost estimates to guide the project forward. This stage has confirmed the feasibility of the proposed facility program, site configuration, and key design elements, while also identifying associated capital cost ranges and project risks. With this foundational work in place, the project can advance to the next stage of Integrated Project Delivery (IPD) tendering where a collaborative team will be procured to further refine the design, validate and optimize costs, and develop a more detailed and deliverable project plan. Concurrently, the Working Group is now positioned to shift its focus toward capital fundraising and grant applications, leveraging the concept design and Class D estimates to pursue funding opportunities aligned with the financial target ranges established through community engagement.

The concept designs are early-stage placeholders that communicate overall ideas and direction rather than finalized solutions. The concept designs intentionally lack detailed specifications, refined visuals and colour for the focus to remain on broad concepts like layout and function, by

staying flexible and incomplete, it allows for further development and collaboration within the IPD process where details, efficiencies and technical aspects are gradually explored and refined.

Concept Design Capital Cost

Conceptual design for Phase 1 of the proposed aquatics facility and field house is \$185 Million, inclusive of 20% construction contingency. Amenities of the proposed concept include:

- 8 lane 25 M with 1 and 3 M diving boards
- 3 lane 25M - warmer water
- Leisure pool with a lazy river and 15 M area for swimming lessons
- Splash pad spray features
- Sauna and Steam rooms
- Hot pool
- Waterslide
- Change rooms
- 2nd Floor Spectator seating
- Storage
- Multi-purpose rooms
- Cafe
- Enhanced lobby space
- Reception and administration areas
- Public Washrooms
- Leased office spaces
- 11v11 full field that is able to be divided into two 9v9 or four 5v5
- Officials room and change rooms

Additional amenities that may be included provided funding targets are met or by capital fundraising include:

- Drop slide
- Ninja Cross
- Aquatics climbing wall
- Cold plunge

Capital Funding Targets

Engagement has indicated that a maximum increase of \$40 per month is the affordability limit that residential property owners have expressed to support the proposed project. The Aquatics Facility Working Group has worked diligently to identify realistic targets and ranges for funding streams to accomplish this goal.

The following funding targets have been identified:

\$60M-\$90M - Voter-approved Borrowing

\$20M-\$45M - Regional & Senior Governments

\$5M - \$10M - Grants, Capital Fundraising, and other sources

\$40M - City Reserves

\$30M - Peace River Agreement \$7.5M per year over 4 years

As some of these funding streams are variable, possible scenarios have been created to illustrate how funding streams interact with each other. These scenarios are not explicit options and are only intended to show how the voter-approved borrowing amount fluctuates based on how much other funding is secured.

Now that the City has received a Class D estimate for the proposed concept, staff will begin reaching out to senior levels of government and investigate other capital funding opportunities.

	<u>Scenario 1</u>	<u>Scenario 2</u>	<u>Scenario 3</u>
Voter-approved Borrowing	60M	75M	90M
Regional & Senior Government Funding	45M	33M	20M
Capital Fundraising	10M	7M	5M
City Reserves	40M	40M	40M
Peace River Agreement Funds (7.5 million per year for 4 years)	30M	30M	30M
Total Cost	185M	185M	185M
<u>Average Increase for Property Class (\$ / month)</u>	<u>Scenario 1</u>	<u>Scenario 2</u>	<u>Scenario 3</u>
1-Residential	17.68	22.11	26.53
2-Utilities	87.43	109.28	131.13
4-Major Industries	1,860.12	2,325.07	2,790.02
5-Light Industries	277.24	346.54	415.84
6-Business/Other	137.41	171.75	206.10
8-Recreation/Non Profit	44.48	55.60	66.72
9-Farm	0.25	0.32	0.38

Estimated Operating Costs

Staff have projected what operating the current North Peace Leisure Pool & Kids Arena Fieldhouse will cost in 2030. As programming in these facilities are near capacity, the projection was done by increasing their budgeted expenses by 3% per year to account for inflation.

The Aquatics Facility Working Group, in collaboration with Recreation & Facilities Staff, have estimated operating costs for the proposed facilities by working through what programming may look like in 2030 rather than simply taking current costs and increasing them by a fixed percentage. Estimating operating costs on a new facility is complex and will change throughout the design process.

The projected cost to operate the current North Peace Leisure Pool & Kids Arena Fieldhouse in 2030 is \$5,587,045.

The estimated cost to operate the proposed Aquatics Facility & Fieldhouse in 2030 is \$7,314,367. This leads to an overall increase in operating costs of \$1,727,322, or approximately 31%.

Estimated Revenue & Funding Gap

Staff used the same methodology for estimating and projecting revenue as they did in estimating and projecting 2030 operating costs.

The projected revenue generated in the current North Peace Leisure Pool & Kids Arena Fieldhouse in 2030 is \$1,061,918.

The estimated revenue generated in the proposed Aquatics Facility & Fieldhouse in 2030 is \$1,869,114.

This leads to an increase in generated revenue of \$807,196, or approximately 76%.

The City of Fort St. John is committed to continuing support of these important regional functions, at a minimum, to the same level it does now.

When factoring projected revenues, funding, and costs of the current North Peace Leisure Pool & Kids Arena Fieldhouse and comparing them to the estimated revenues, funding, and costs of the proposed Aquatics Facility & Fieldhouse there is a funding gap of approximately \$4.1 million that needs to be addressed.

Along with exploring funding methods such as advertising & sponsorship, rate increases, and property tax increases, the City of Fort St. John intends to address this funding gap through one or more of the following methods.

1. Working with the Peace River Regional District on a method to transition the current North Peace Leisure Pool Service Area bylaw to continue supporting regional aquatics in the proposed facility. For reference, Areas B and C of the Peace River Regional District currently provide approximately \$3.3M annually to support regional aquatics.
2. Working with the Peace River Regional District on a sub-regional recreation agreement to support all recreation and arts & culture amenities the City provides the region.
3. Developing a two-tier fee system to support all recreation and arts & culture amenities the City provides the region.

Projected Timeline

With the Concept Design & Costing exercise behind us, the Aquatics Facility Working Group has identified a projected timeline for the proposed Aquatics Facility & Fieldhouse.

Community & User Engagement continues through the next step of the design process with the Tradeshow on April 10 through 12 as the next big opportunity for the public to provide feedback and have their voices heard with staff, Mayor, and Council.

Capital Funding Opportunities & Grant Applications are starting now and will continue through the life of the project to work towards bringing the required borrowing amount down.

Staff expect to begin the IPD Tendering process in the coming weeks with an anticipated award in May. The IPD team will work with the selected proponent on the detailed design through the end of the year.

Concurrently, staff will prepare for a referendum on October 17. Pending a successful referendum, Phase 1 construction will begin Spring 2027.

RELEVANT OBSERVATIONS:

N/A

COMPLIANCE WITH STRATEGIC PILLARS:

Vibrant Community – Invest in community safety, social, cultural, and recreational programs.

Relationships & Advocacy – Initiate and foster relationships and advocate to decision makers on the issues that impact our community and our neighbours.

Economic Development – Enhance community economic development to provide opportunities and sustainability for Fort St. John.

Organizational Excellence – Provide a healthy workplace that is inclusive and builds on our diversity, engagement, and sense of community.

Managing Assets – Build and manage assets that support the current and future needs of the community.

COMPLIANCE WITH STRATEGIC OBJECTIVES:

Vibrant Community

- Provide and support robust, affordable, and accessible wellness and recreation opportunities for the whole community.

Relationships & Advocacy

- Liaise and engage with local, regional, provincial, and federal governments, as well as industry to ensure sustainability for resource communities.

Organizational Excellence

- Attract and retain the people that support the current and future needs of the community.

Managing Assets

- Invest in building, improving, and maintaining physical and digital assets.
- Embrace environmental responsibility through sustainable and effective practices.
- Ensure accountable, transparent, and responsible financial management focused on value.

ESSENTIAL QUESTION:

N/A

<p>DETERMINED DESIRED OUTCOMES (If the essential question is answered)</p>
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KEY RESULT:

To create a project that meets the community needs and fiscal reality that supports a successful voter ascent.

UNINTENDED OUTCOMES:

Missing the community's needs and financial ability to support the project that leads to a failed voter ascent.

DEPARTMENTS CONSULTED ON THIS REPORT to achieve the key results (pros and cons)

New Aquatic Facility Working Group

ATTACHMENTS:

Aquatic Facility Update - March 23 Presentation

RESPECTFULLY SUBMITTED:

Lucas Panoulias, Chief Corporate Services Officer



New Aquatics Facility Update

March 23 COW

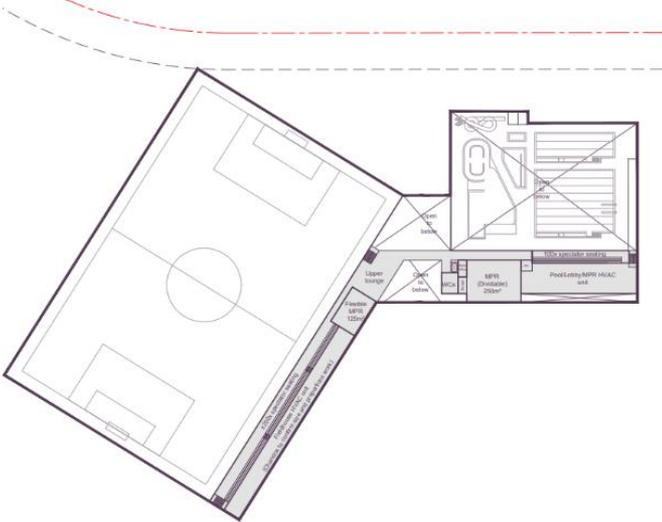
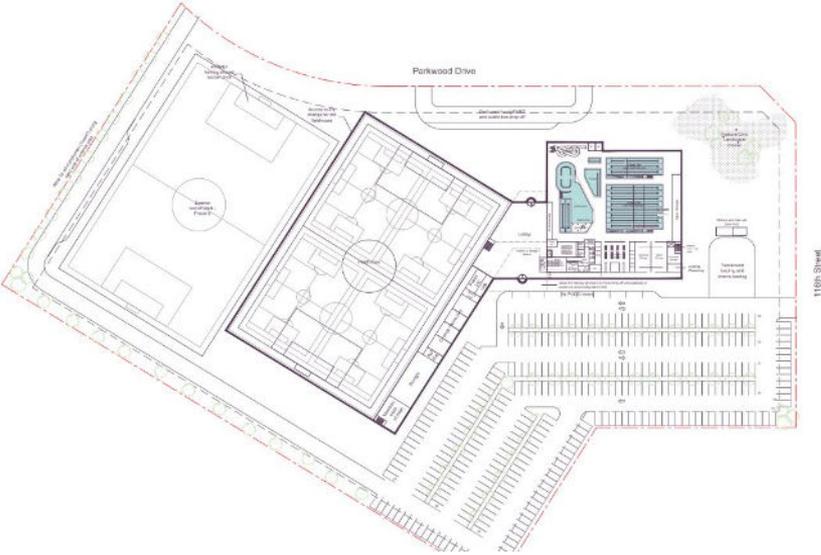


Agenda

- Concept Design
- Class D Costing
- Capital Costs & Funding
- Operating Costs & Funding
- Projected Timeline



Concept Design





Concept Design - Phase 1









New Aquatics Facility Update

Capital Costs & Funding

\$185 Million

- Concept design estimate, inclusive of 20% construction contingency
- Includes all items identified on the concept design

Capital Funding Targets

- Voter-approved Borrowing of \$60M-\$90M
- Target \$20M-\$45M from Regional & Senior Governments
- Target \$5M-\$10M from Grants, Capital Fundraising, and other sources
- Direct up to \$40M from City Reserves
- Direct up to \$30M from Peace River Agreement over 4 years

Funding Scenarios

let's talk
AQUATICS FACILITY

	Funding Scenario 1	Funding Scenario 2	Funding Scenario 3
Voter-approved Borrowing	\$60 million	\$75 million	\$90 million
Regional & Senior Government Funding	\$45 million	\$33 million	\$20 million
Capital Fundraising	\$10 million	\$7 million	\$5 million
City Reserves	\$40 million	\$40 million	\$40 million
Peace River Agreement Funds (<small>\$7.5 million per year for 4 years</small>)	\$30 million	\$30 million	\$30 million
Total Project Cost	\$185 million	\$185 million	\$185 million
Average Increase for Residential Properties	\$17.68 per month	\$22.11 per month	\$26.53 per month
Average Increase for Commercial Properties	\$137.41 per month	\$171.75 per month	\$206.10 per month

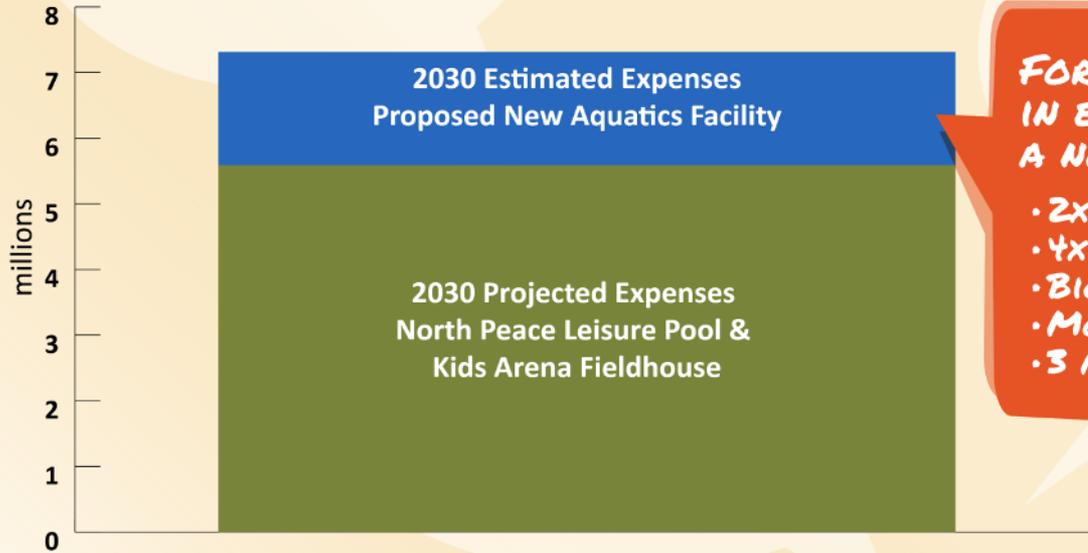


New Aquatics Facility Update

Operating Costs & Funding

Operating Expense Comparison

let's talk
AQUATICS FACILITY



**FOR A 31% INCREASE
IN EXPENSES, YOU GET
A NEW FACILITY WITH:**

- 2X MORE WATER AREA
- 4X BIGGER FIELDHOUSE
- BIGGER CHANGEROOMS
- MORE PARKING
- 3 MULTI-PURPOSE ROOMS

Estimated Operating Costs

North Peace Leisure Pool & Kids Arena Fieldhouse (2030)

- \$5,587,045
- Based on 2026 budget with an annual increase of 3%.
- Excludes any major upgrades & repairs that may be required for current facilities.

Proposed Aquatics Facility & Fieldhouse (2030)

- \$7,314,367
- Includes new staff required for operations & maintenance based on new programming.
- Overall increase in operating costs of \$1,727,322, or approximately 31%.

Estimated Operating Costs - Funding

Funding Opportunities

- Revenue increases due to improved programming capacity.
- Advertising & Sponsorship
- Rate Increases
- Property Taxes

Funding Gap
Approximately \$4.1M

Regional Support

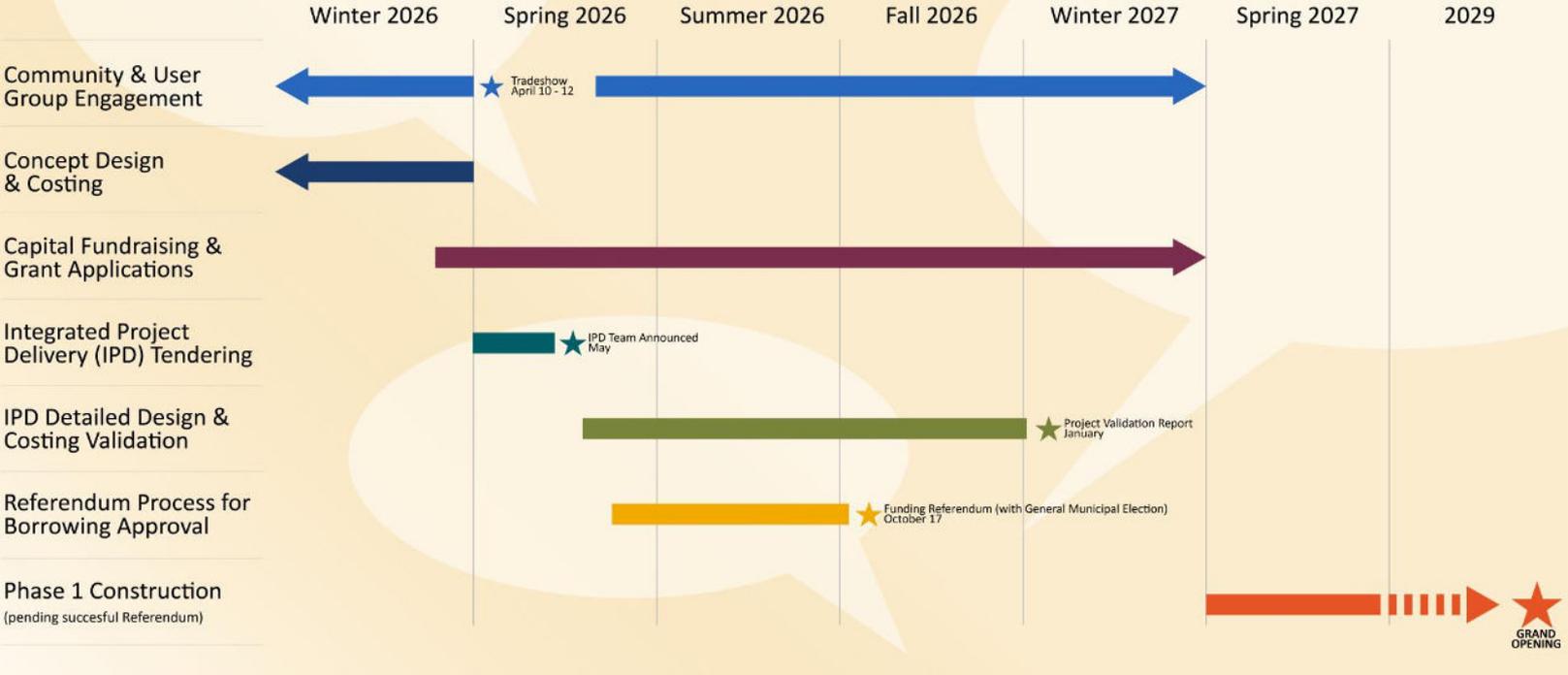
- Transition existing North Peace Leisure Pool Service Area bylaw to continue the support of aquatics
- Sub-regional recreation agreement to support all recreation, arts, and cultural amenities
- Two-tier fee system to support all recreation, arts, and cultural amenities



New Aquatics Facility Update

Projected Timeline

Aquatics Facility Timeline





Questions?

