MARKHAM

CSIO
Financial Update

August 21, 2006

CSIO Committee

AGENDA

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1. Capital Costs
2. Financial Summary
3. Operating Budget
4. Next Steps

Capital Costs

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Cost of Construction Comparison*

($000's)

	Angus Glen Community Centre	Thornhill Community Centre Phases 1 & 2	Centennial Community Centre	Markham Village Library	YMCA	CSIO**
Construction Costs	40,076	6,648	10,928	8,176	15,203	129,754
Internal Costs	3,788	526	1,192	927	2,073	19,584
FF & E	3,004	251	361	753	1,196	17,925
Other	4,067	-	-	1,162	26	30,809
Total	50,935	7,425	12,481	11,018	18,498	198,072
Total Square Footage	166,000	27,131	39,335	38,360	60,579	602,854
Costs / Square Ft.	**$ 306.84**	**$ 273.67**	**$ 317.30**	**$ 287.23**	**$ 305.35**	**$ 328.56**

* Indexed to Jan 2006

** Excludes CSIO Office Research & Training Centre

Capital Costs

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Site Preparation

- Town of Markham is to provide the following at no cost (as per the CSIO Proposal)

1. Access roads
2. Stormwater Management System
3. Sanitary Sewer Connection
4. Storm Sewer Connection

$4.3 to 4.9M

5. High Voltage Substation
6. Natural Gas Service
7. Underground Communication Duct
8. Relocation of any Services
9. Diversion of Watercourse

TBD

Note: Town's position could be to include site preparation costs as part of the Town's total capital contribution

Capital Costs

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Funding Sources / Contributions

1. Development Charges
2. Town Reserves
   - With repayment (Tax Increase)
   - Without repayment
3. External Borrowing (Tax Increase)
4. Hybrid of options 1 to 3
5. Land / Site preparation costs / Planning & Engineering fees could be considered as part of the Town's capital contribution

Financial Summary

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2004 DC Background Study vs. Master Plan

- DC Study was adopted August, 2004 – prior to completion of Master Plan
- This required a generic program for Recreation and Library that matched DC revenue to maximize square footage (no borrowing) over the next 10 years
- Master Plan - more square footage and accelerated timing based upon resident surveys
- Funding the accelerated timing and more square footage will require tax increases and debt financing

Financial Summary

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DC Background Study vs. Master Plan

Indoor Recreation Capital Program

Indoor Recreation	Background Study		
		Const/ Open	Total Cost
2004-2013			
East CC Land	14.8 ac	2005	$7,410,000
Land for New Facility	11.1 ac	2005	$5,558,000
Land for New Facility	7.4 ac	2007	$3,705,000
YMCA	20,000 sq ft	2006	$2,700,000
Thornhill CC Expansion	27,131 sq ft	2005/2006	$6,471,000
Centennial CC Expansion	23,185 sq ft	2005/2006	$5,614,000
New Facility	137,000 sq ft	2013/2015	$32,214,000
Total DC Funded 2004-2013	**207,316 sq ft**		**$63,672,000**

- Assumes population of 301,000 by 2021 for lands within urban boundary only
- Assumes population growth and services as established in the 2004 Background Study
- Cost differential does not include cost of borrowing

Financial Summary

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DC Background Study vs. Master Plan

Indoor Recreation Capital Program

	Background Study			Master Plan		
Indoor Recreation		**Const/ Open**	**Total Cost**		**Const/ Open**	**Total Cost**
2004-2013						
Cornell CC Land	14.8 ac	2005	$7,410,000	14.8 ac	2005	$7,410,000
South East CC Land	11.1 ac	2005	$5,558,000	11.1 ac	2005	$5,558,000
Land for New Facility	7.4 ac	2007	$3,705,000	not identified		
YMCA	20,000 sq ft	2006	$2,700,000	20,000 sq ft	2006	$2,700,000
Thornhill CC Expansion	27,131 sq ft	2005/2006	$6,471,000	27,100 sq ft	2005/2006	$6,518,000
Centennial CC Expansion	23,185 sq ft	2005/2006	$5,614,000	23,200 sq ft	2005/2006	$5,625,000
Cornell CC	137,000 sq ft	**2013/2015**	$32,214,000	85,000 sq ft	**2007/2009**	$20,013,000
South East CC Phase 1	not identified			36,000 sq ft	**2007/2009**	$8,476,000
South East CC Phase 2	not identified			109,000 sq ft	**2012/2014**	$25,664,000
Total DC Funded 2004-2013	**207,316 sq ft**		**$63,672,000**	**300,300 sq ft**		**$81,964,000**

- Assumes population of 301,000 by 2021 for lands within urban boundary only
- Assumes population growth and services as established in the 2004 Background Study
- Cost differential does not include cost of borrowing

Financial Summary

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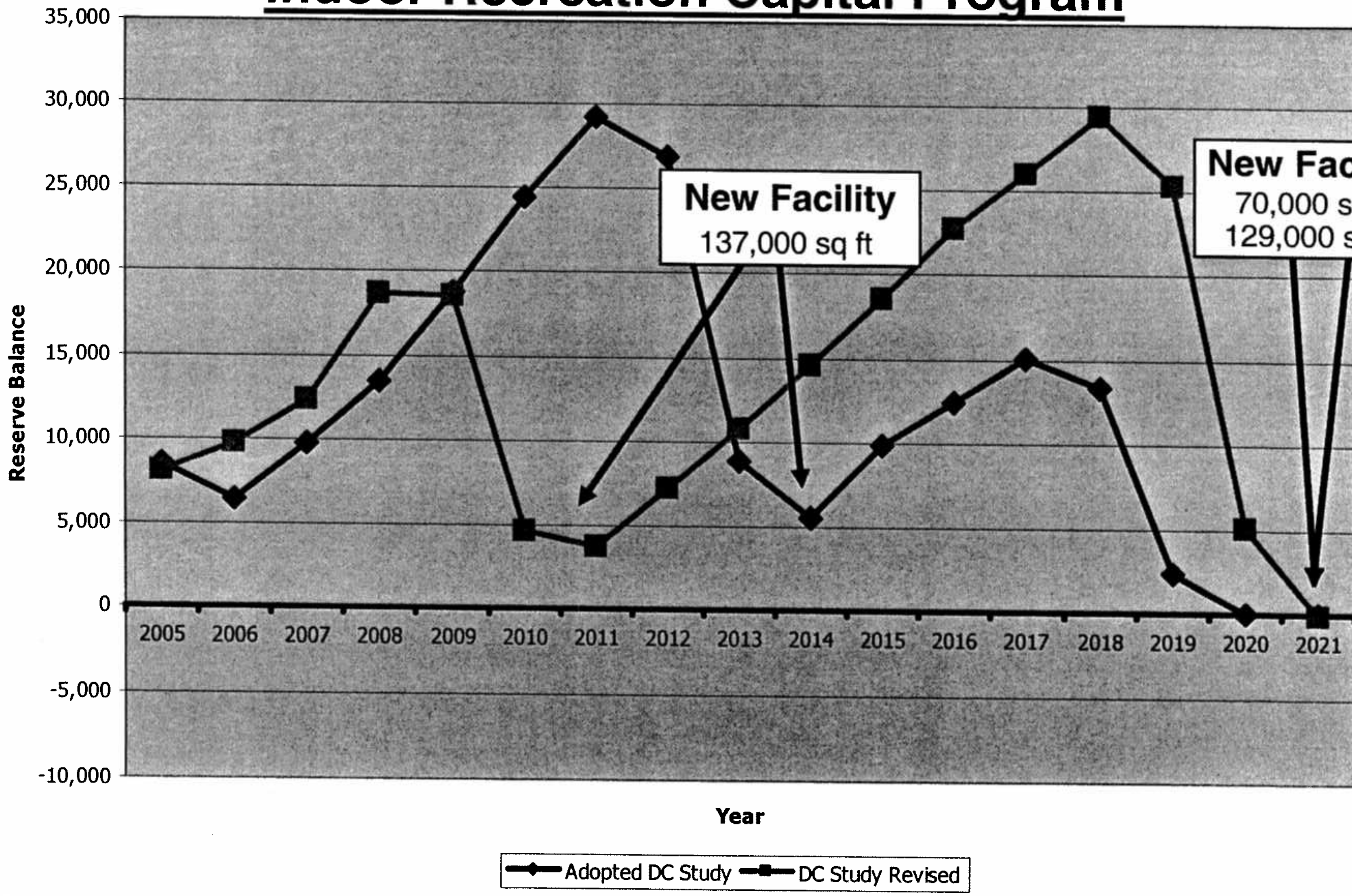
Overview

- **Indoor Recreation**
  - Master Plan identifies the opening of the Cornell facility in 2009, 6 years before DC Study (2015)
  - South East Phase 1 & 2 in the Master Plan for 2009 & 2014 & not in the DC Study until 2021
    (12 & 7 years earlier, respectively)
- **DC Background Study vs. Master Plan**
  - Update on the current population projections compared to the one developed for the DC study
  - Higher population figures than 2004 DC study
  - Comparison of Revised DC Study to Master Plan (timing & square footage)

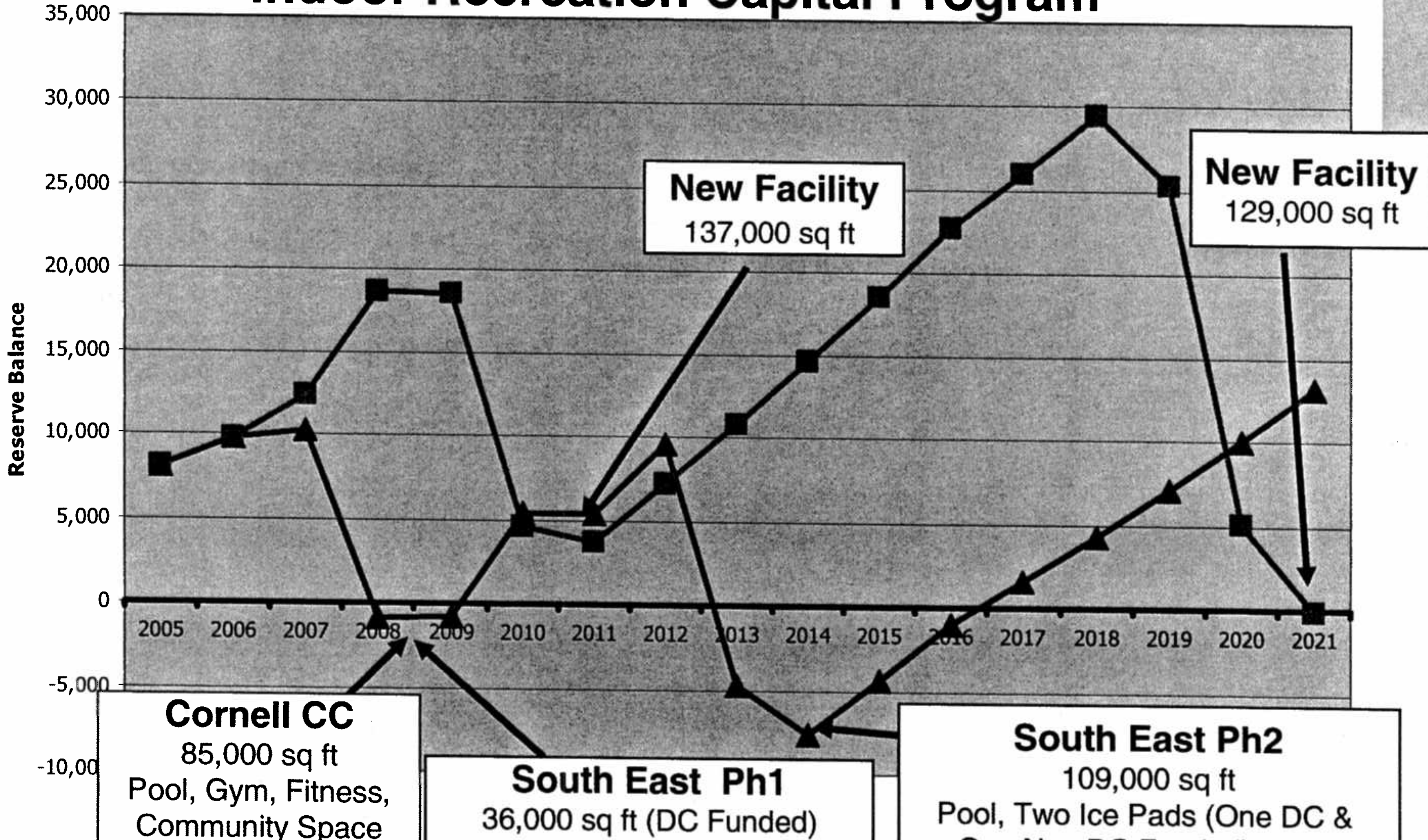
DC Background Study vs. Master Plan

Indoor Recreation Capital Program



DC Background Study vs. Master Plan

Indoor Recreation Capital Program



DC Background Study vs. Master Plan

Summary

- Revised population figures allow for facilities to be built earlier than original DC Study but still not as soon as Master Plan
- Master Plan timing & square footage requires additional base operating budget dollars, based on program requirements

Master Plan Summary

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Town Recreational Requirement by 2014

(Based on Recreation Master Plan)

	2009	2014	Total	Cornell C.C.	Unallocated
Aquatic					
25m Pool	1	1	2	1	1
Arena					
New Arena	1	1	2	0	2
Replacement Arena	1	1	2	0	2

Operating Budget

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- **CSIO Initial Assumptions**
  - Town will have 50% usage of all facilities (Arenas, Aquatics and Fieldhouse)
  - Town will pay 50% of all operating expenses
  - Town will not incur any additional operating costs associated with the Town's programming and the Town will retain it's revenue

Aquatic Programming

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- **Current operating hours (Town Standard)**
  - 17 hrs per day / 119 hrs per week (6:00am to 11:00pm)
- **Prime-time hours**
  - Weekday 7.5 hrs per day / 37.5 hrs per week (6:30 - 8:00 am & 4:00 - 10:00pm)
  - Weekend 15.5 hrs per day / 31.0 hrs per week (6:30am to 10:00 pm)
- **Assumption**
  - Aquatic facility will accommodate the Town's program needs i.e. bulkheads and adjustable floor height
- **Town Programming Requirement**
  - One 25m Pool, 68.5 hrs per week or 3,562 hrs per year (Additional Prime & Non-Prime Hours TBD)
  - Dive Tank, no current demand identified
  - Dryland Training area, no current demand identified

Arena Programming

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- **Current operating hours (Town Standard)**
  - 18 hrs per day / 126 hrs per week (6:00am to 12:00pm)
- **Prime-time hours**
  - Weekday 6 hrs per day / 30.0 hrs per week (4:00 to 10:00 pm)
  - Weekend 15 hrs per day / 30.0 hrs per week (7:00am to 10:00 pm)
- **Town Programming Requirement**
  - Two new and two replacement arenas
  - New – 120 hours/week or 12,480 hours/year
  - Replacement – 120 hours/week - pending Council decision to decommission Markham Village and Crosby arenas
- **Assumption**
  - The two existing properties, Markham Village & Crosby, will be sold to fund CSIO capital requirement

Fieldhouse Programming

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- **Current Town "Fieldhouse" Programs**
  - Learn to Programs (Basketball, Volleyball, Archery, Badminton, Golf, Soccer, Tennis)
  - Kinder-gym
  - Drop in Programs
- **Town Programming Requirement**
  - Minimal Use
  - Use TBD

Operating Options

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- **Pay a % of total CSIO operating expenses based on % usage** (Current CSIO Assumption)
- **Secure a set block of time within the facility at a fixed rate** (Guaranteed 10 year lease agreement)

Next Steps

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- Tour similar facilities to obtain a better understanding of capital funding and operating costs
- Obtain remaining CSIO site preparation costs
- Determine Town Demand for Prime & Non Prime Aquatic and Fieldhouse Programs
- Meet with CSIO to review details of the Town's program requirements