

STAFF REPORT TO COUNCIL

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DATE: December 12, 2022

TO: MAYOR AND COUNCIL

NAME AND TITLE: Deanna Wasnik, Director of Planning and Development

SUBJECT: Life Cycle Cost Analysis for Proposed Prince George Community Foundation – Rotary Destination Park (“Mega Park”)

ATTACHMENT(S):

- Proposed Mega Park Life Cycle Cost Analysis
- Proposed Mega Park Life Cycle Cost Analysis Powerpoint Presentation
- Previous Report to Council considered at the July 25, 2022 Regular Meeting of Council titled, “Consultation for Proposed Prince George Community Foundation – Rotary Destination Park (“Mega Park”)

RECOMMENDATION(S):

That Council RECEIVES FOR INFORMATION the report dated December 12, 2022 from the Director of Planning and Development, titled “Life Cycle Cost Analysis for Proposed Prince George Community Foundation – Rotary Destination Park (“Mega Park”)”.

PURPOSE:

The purpose of this report is to provide Council with the Life Cycle Cost (LCC) Analysis for the proposed Prince George Community Foundation – Rotary Destination Park (“Mega Park”).

BACKGROUND:

On July 25, 2022, Council received for information the Staff Report to Council titled, “Consultation for Proposed Prince George Community Foundation – Rotary Destination Park (“Mega Park”)”. The purpose of the report (attached) was to provide Council with the results of the community consultation that was held to gauge the public interest for Mega Park at the corner of Ospika Boulevard and 22nd Avenue. The report also indicated the costs associated with Mega Park were not fully known at the time, and sought Council direction to further investigate the financial implications of the proposed park to facilitate an informed and responsible review of the proposed park project.

Council directed Administration, “to conduct a full lifecycle analysis of the financial implications of the proposed Community Foundation – Rotary Destination Park (“Mega Park”)”. The attached document titled, *Proposed Mega Park Life Cycle Cost Analysis* (“LCC Analysis Report”) has been prepared in response to Council’s direction.

DISCUSSION:

The LCC Analysis Report details the life cycle costs associated with the six major park features and several other park amenities that would form Mega Park. The six major park features include: Junior Adventure Park, Youth Adventure Park, Spray Park, Accessible Playground, Pump Track, and Senior Friendly Outdoor Fitness Station. The other park amenities include features such as a washroom with changeroom, picnic shelter and tables, trees, benches, turf, irrigation, etc. The LCC analysis was based on a 50-year time period.

The LCC Analysis Report indicates the total cost of ownership for the proposed Mega Park over a 50-year time period is over \$68M. This includes a total of \$22.6M of operating and maintenance costs and \$41.6M in capital renewals over that same 50 years. The park will likely provide service to the community long after 50 years, but for this analysis, the 50th and final year's costs were not included because it assumes that at year 50, the assets will not be renewed.

Please refer to the attached LCC Analysis Report for further details regarding the LCC for the proposed Mega Park.

Additional Costs/Potential Revenue

The LCC analysis does not include costs associated with the required site preparation works (i.e. geotechnical and environmental investigation), or service connections (i.e. private utilities, civil works, streetlights) that will be required for the park. These costs would be evaluated following the completion of a park design.

The potential economic impacts the Mega Park may have on the community were not considered. The LCC Analysis Report was based strictly on the life cycle costs of the park features and on the operation, maintenance, and eventual renewal of the park's infrastructure.

ALTERNATIVES:

The LCC Analysis Report provides a thorough overview regarding the life cycle costs of the proposed Mega Park, which are significant. To assist Council in determining the next step with the proposed Mega Park, Administration provides the following options for Council's consideration:

1. That Council DIRECTS Administration to provide further information, which is specified by Council, regarding the Mega Park project.
**Council would need to determine what specific information they would want to see returned.*
2. That Council SUSPENDS further action by Administration on the Mega Park project.
3. That Council DIRECTS Administration to proceed with the next step in the Mega Park project by formalizing an agreement with the Community Foundation and Rotary Club, including preparation of a Stage Gate Review Process in accordance with the Council approved Organizational Capital Project Management manual.

SUMMARY AND CONCLUSION:

This report provides Council with the Life Cycle Cost Analysis for the proposed Prince George Community Foundation – Rotary Destination Park (“Mega Park”) for a 50-year term. The LCC for the proposed park are provided to inform, and facilitate a responsible review of the proposed Mega Park project.

Administration is seeking Council direction for the next step of the proposed Mega Park project as outlined in the report.

RESPECTFULLY SUBMITTED:

Deanna Wasnik, Director of Planning and Development

APPROVED:

Walter Babicz, City Manager

Meeting Date: 2022/12/19