

**DATE:** June 12, 2023

**TO:** MAYOR AND COUNCIL

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

**SUBJECT:** Re-Introduction of the Life Cycle Cost Analysis for Proposed Prince George Community Foundation – Rotary Destination Park (“Mega Park”)

**ATTACHMENT(S):**

- Previous Report to Council Package considered at Dec 19, 2022 Regular Meeting of Council titled, “Life Cycle Cost Analysis for Proposed Prince George Community Foundation – Rotary Destination Park (“Mega Park”)
- Letter dated May 25, 2023 from Prince George Community Foundation

**RECOMMENDATION(S):**

That Council RECEIVES FOR INFORMATION the report dated June 12, 2023 from the Director of Planning and Development, titled “Re-Introduction of the Life Cycle Cost Analysis for Proposed Prince George Community Foundation – Rotary Destination Park (“Mega Park”)”.

**PURPOSE:**

The purpose of this report is to re-introduce the Life Cycle Cost (LCC) Analysis for the proposed Prince George Community Foundation – Rotary Destination Park (“Mega Park”) along with a letter outlining additional information provided by Community Foundation and Rotary Club of Prince George.

**BACKGROUND:**

On December 19, 2022, Council received for information the Staff Report titled, “Life Cycle Cost Analysis for Proposed Prince George Community Foundation – Rotary Destination Park (“Mega Park”) (please see attached). The purpose of the report was to provide Council with the results of the Life Cycle Cost Analysis for the Mega Park.

At the December 19, 2022 Council Meeting, Council resolved:

*That Council SUSPENDS further action by Administration on the Mega Park Project and DIRECTS Administration to return 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”)” along with any new and relevant information to a regular Council meeting by the end of Q2 2023”.*

Administration has attached the staff report dated December 12, 2022, previously considered by Council at the December 19, 2022 Regular Council meeting.

## DISCUSSION:

The LCC Analysis Report indicates the total cost of ownership for the proposed Mega Park over a 50-year time period is over \$68M as seen in Table 1 of the report. This includes a total of \$22.6M of operating and maintenance costs and \$41.6M in capital renewals over that same 50 years. Based on other similar City Community Parks operating & maintenance costs, it is estimated an additional Parks budget of \$107k would be required, plus annual inflation, which totals the \$22.6M over 50 years.

**Table 1: Summary of Total Life Cycle Cost of Ownership**

<b>Total Life Cycle Costs over 50 years of Ownership:</b>	
Initial Capital Cost	\$3,975,305
Annual Operating Costs Over 50 yrs	\$10,508,392
Cyclical Maintenance Costs Over 50 yrs	\$12,156,576
Capital Renewal Costs Over 50 yrs	\$41,635,395
<b>Total Life Cycle Cost (LCC)</b>	<b>\$68,275,668</b>
LCC/Year	\$1,365,513

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

As mentioned in the staff report dated December 12, 2022, the LCC analysis does not include the potential economic impacts the Mega Park may have on the community. 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.

The Prince George Community Foundation has prepared a letter (see attached) to offer insight into additional considerations for the proposed Mega Park, including items related to potential revenue opportunities (i.e. tourism, job creation, construction materials, and championship events).

### Next Steps

Administration is seeking Council's direction respecting the next steps with the Mega Park project. In the Staff Report to Council dated, December 12, 2022, Administration provided 3 options for Council's consideration in determining the next step of the project. The options are still relevant and are as follows:

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 re-introduction of 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. The Prince George Community Foundation has provided a letter with additional information for Council’s consideration.

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: 2023/06/12