

Greater Sudbury Event Centre Project Update

Presented To:	City Council
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Type:	Managers' Reports
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Recommended by:	Chief Administrative Officer

Report Summary

This report provides an update on the work to wind down the current Event Centre project and describes the anticipated next steps in this process as well as some options for Council's future consideration.

Resolutions

Resolution 1:

That the City of Greater Sudbury authorizes the reconsideration of motion CC2021-227, passed at the City Council meeting of July 14, 2021.

Resolution 2:

That the City of Greater Sudbury rescinds motion CC2021-227, titled "Greater Sudbury Event Centre Next Steps," from the meeting of City Council on July 14, 2021, and directs staff to prepare the appropriate by-law amendments.

Resolution 3:

That staff be directed to cancel or terminate all contracts and obligations associated with the Greater Sudbury Event Centre Project in an efficient manner, except that cancellation of the following items be paused until July 31, 2023:

- a) The Progressive Design Build RFP for Event Centre construction, and
- b) The Venue Manager RFP.

Resolution 4:

That staff be directed to produce a background report, by the end of Q2 2023, to update the building condition assessment and operational effectiveness analysis of the Sudbury Community Arena and provide a high-level summary of options for its replacement or renovation, including comparisons of facility size, amenities, and business approach with event centres in other Canadian Hockey League communities.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report addresses the following strategic objectives outlined in the CGS Strategic Plan 2019-2027:

- Economic Capacity and Investment Readiness

- Asset Management and Service Excellence

From the perspective of the CEEP, the project respects the objective to minimize the production of greenhouse gases in the operation of new assets.

Financial Implications

Total project expenditures are anticipated to be \$5.2 million, of which \$3.76 million was identified in previously submitted reports and regularly available for public review on the city's website. As described in this report, the remaining \$1.44 million are costs required to close out this project, included in the total reported here, and will be funded from the Event Centre Project capital account, which contains sufficient funds to support the work.

With the premature end of the project, there are approximately \$84.8 million in unexpended funds. These funds can be redeployed to other Council-approved projects with a useful life equal to or exceeding the term of the debt, and subject to further City Council review and approval. In the interim, these funds will continue to be invested in short-term investment vehicles which are variable and at present are yielding returns greater than the cost of borrowing.

Background

At its July 14, 2021 meeting, City Council approved a direction regarding the next steps required for advancing the Event Centre project. This direction included specific decisions Council reserved for itself to assess the project's direction and, as work progressed, reaffirm that its intended outcomes would be met. On July 12, 2022, two of the decisions Council reserved were considered via recommended motions in a staff report. The motions were not approved.

Following the defeat of the July 12, 2022 motions, members of Council asked staff to explain the next steps regarding the Event Centre project. Staff indicated no new commitments to advance the project would be made, that the project would be treated as "paused" pending further direction from Council, and that staff would provide a report at the August 9, 2022 City Council meeting describing the actions taken to pause the work and recommending further direction.

Staff started the process of pausing the Event Centre project by closing off existing contracts and purchase orders with various contractors and consultants, and to remove any future obligations of the City to the Event Centre Project. Staff are not advancing any work or services on the Event Centre project.

As part of the work to wind up the current event centre project, staff recommend Council Resolution CC2021-227 from the July 14, 2021, Council meeting, as reproduced below, be reconsidered and rescinded.

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THAT staff proceed to advance the work required to develop the Event Centre without further delay in accordance with the existing, approved Cost Sharing Agreement, a project schedule that produces a facility which is ready for use in 2024, and regular progress reporting to City Council;

AND THAT the Executive Director of Communications, Strategic Initiatives and Citizen Service be delegated authority to negotiate, execute and subsequently amend or extend any agreements to produce the work required for delivering the Event Centre Project in 2024, subject to Council's approval of the following three decision points:

- a) Confirmation of the site preparation contract, including the commencement date established with the site development partners
- b) Confirmation of the Venue Operator
- c) Confirmation of final budget based on the result of the Design/Build Request for Proposals"

During the deliberations in the July 12, 2022 meeting, a number of topics related to a future event centre were discussed. These included reassessing the current state of the Sudbury Community Arena and

recognizing the potential for the next Council to consider a different event centre project. Based on these views, this report describes, wherever possible, no-cost, no-obligation options for Council's consideration. These should be considered in the context of additional Council directions in 2023 that would further refine/advance a particular option; otherwise, staff anticipate these options, at least as described here, would no longer be available.

Current Project Status and Related Windup Efforts

The following is an update on the status of the various activities that were ongoing prior to the July 12, 2022, Council meeting.

As noted below, the City has retained a number of professional services in support of the project and these firms have been notified of the intent to wind down the project. These firms are in the process of concluding their services for the City including providing a digital copy of all records, reports, and drawings. Some services must continue in the short term, such as assisting in the City's obligation for debriefing of proponents that were part of the recent procurement processes. Not all final invoices have been received. The costs for the project have been estimated and remain subject to adjustment based on final invoicing.

Storm Water Management and Intersection Improvements

The storm water management (SWM) design was being completed by J. L. Richards & Associates Limited (JLR) and was approximately 60% complete. JLR is no longer advancing the SWM design and JLR's services will be closed upon receipt of their final invoice.

The intersection improvements design was also being completed by JLR and the design was approximately 70% complete. JLR is no longer advancing the intersection improvement design and JLR's services will be closed upon receipt of their final invoice.

Both the services for the SWM and intersection improvements were part of the Comprehensive Cost Sharing agreement. As the cost for these services were shared, the Developer, and Gateway Casinos have rights to utilize this engineering work to continue the development.

Event Centre Procurement

Several aspects of the design and construction of the Event Centre were underway prior to July 12, 2022:

- A Compliance Team;
- A Procurement for a Progressive Design-Build Request for Proposal; and
- A Fairness Monitor

The City retained Ian McKay Architect Inc (IMA) to provide a compliance team. IMA's services included subconsultants to support structural, mechanical, plumbing, electrical, security, audiovisual and acoustical aspects of the project. IMA, along with their subconsultants, assisted with the Progressive Design-Build (PDB) RFP. IMA participated in the RFP preparation, proposal submission evaluations and will assist with upcoming Proponent debriefs. IMA's services will conclude following the debriefing sessions.

As described in the Event Centre Update Report to Council on July 12, 2022, the PDB RFP closed on June 16, 2022. The City had completed the review of the two compliant Proposals with a preferred proponent being identified. The PDB RFP is a non-binding negotiated RFP. This means that the submission does not expire and there is no legal obligation for the City to award the Project.

Phase 2 of the PDB RFP was to negotiate an agreement with the preferred proponent and complete the