

Memorandum

TO: Krista Power, City Clerk **FILE:**

FROM: Leah Prentice, Director – Recreation & Culture
Community Services – Recreation & Culture

DATE: 10/25/2023 (mm/dd/yyyy)

SUBJECT: Update – Jumbo Gardens Community Centre

**MEETING &
DATE:** Committee of the Whole - 11/06/2023 (mm/dd/yyyy)

This memo provides an update on plans to close Jumbo Gardens Community Centre at year-end as approved by Council in the 2023 budget process (Report 1/2023 Corporate Services & Long Term Care – Financial Services; Memorandum – Report Back with Options to Reach 4% and List of Capital Projects – City Manager).

Jumbo Gardens will cease to operate as a Community Centre as of December 31, 2023, as directed by Council. The savings target of \$10,000 identified by Council will be exceeded in 2024 due to the change in operations for the full year.

Administration has been successful in securing a tenant to take over the Jumbo Gardens facility under a Lease Agreement beginning on January 1, 2024. The new lease arrangement will provide a home-base for a well-established community non-profit sport organization while allowing the current primary user group, the Spinners & Weavers Guild, to continue to occupy the lower level of the facility.

Operating this facility as a leased City asset has several benefits:

- Annual operating and capital cost avoidance
- Continued use by the long-term user group that has specific space/storage needs
- A new home-base for non-profit community sport organization
- Ongoing potential for use by other groups through the tenant
- Increased use of surrounding play fields

- No impact to associated rink that is serviced from the building
- Maintaining and increasing positive presence in the facility and park

The new Lease model will eliminate the entire Recreation & Culture Division annual operating budget of \$31,400 net for this facility. Any ongoing building-specific facility services operating costs will be directly offset by rent and recovery charges to the tenant.

The new model will reduce the forecasted average annual capital renewal costs of \$22,977. The only planned capital renewal work in the next 5 years is the fire alarm system in 2025. The revised capital estimate to maintain the facility in fair condition under a lease agreement over the next 5 years is under \$5,000 per year.

The forecasted annual capital for replacement cost for this facility is \$20,878. This figure is not an annual capital expenditure, rather an equalized value that represents potential future replacement cost and is subject to decisions regarding replacement or demolition of the facility based on considerations such as status of lease, condition of facility, and renewal/replacement costs. Net annual rent revenue will be held in reserve towards future capital renewal, replacement or demolition costs.

In addition to the benefits outlined above, operating this facility as a leased asset avoids negative implications to the current primary user group as well as potential negative implications to the facility and property that may arise from leaving the facility vacant or moving towards demolition once it ceases to operate as a community centre.

Administration will report to Council as necessary with any recommendations regarding the future of this facility.