REGIONAL DISTRICT OF NANAIMO

SOUTH WELLINGTON COMMUNITY CENTRE FACILITY AND SITE ASSESSMENT AND OPERATIONAL REVIEW

JUNE 2021

REGIONAL DISTRICT OF NANAIMO

rcs

FAULKNERBROWNS ARCHITECTS

EXECUTIVE SUMMARY

The Regional District of Nanaimo (RDN) undertook this study to explore the viability of repurposing the South Wellington School building into a community centre. The study was also needed to explore potential operating models, costs, risks and the overall level of reinvestment required to ensure safe and functional operation of the potential facility. The study ultimately provides the RDN with a reference document that can inform future decision making and next steps.

Noted below are key findings from the stakeholder engagement, research and analysis that was conducted to inform the study.

- The community is supportive of the potential project and believes it can help address perceived recreation and culture programming gaps in Area A.
- There is a belief that the facility will be best positioned for success if it is community operated, however there is also a recognition that the RDN's support will be needed to ensure successful and sustainable operations.
- A review of existing community facilities in the catchment area validates the perception that recreation opportunities are limited and challenging for many individuals to access.
- Case studies (examples of similar schools that have been retrofitted for community use) indicates that it is important to ensure a realistic and well defined plan exists for both operations and capital re-investment into the aging infrastructure. Putting this plan in place will help foster sustainability and understanding between all stakeholders.
- The lack of a gymnasium in the South Wellington School building will limit some revenue opportunities but also helps contain some operational costs (utilities and cleaning).
- It is important for the potential facility to be multi-functional and accessible throughout the day, supporting a wide-array of activities interests for all ages.

The study looked at two operating models: an RDN operated model and a community operated model. The community operated model is estimated to be slightly more cost efficient, however both models are relatively similar in terms of net revenue impacts and are likely to require an ongoing subsidy to support operations (estimated at between $95,947 and $107,907 annually).. The overall evaluation of both models suggests that the community operated approach achieves a wider array of benefits, however both models have attributes and differing abilities to manage risk and leverage efficiencies.

Should the community operated model be pursued as the preferred approach, it will be critical for the RDN to play an active role in supporting the capacity and success of the not for profit community based operator. This support will require RDN staff time and has been accounted for in the operating cost projections.

The age and condition of the facility requires significant reinvestment before the facility can safely and functionally serve as a community centre. Based on costs identified by a Feasibility Study Report in 2020, it is estimated that a minimum capital cost investment of $1,282,500 will be required before occupancy can occur.

The following recommendations are provided in Section 9 of this study document to guide next steps.

Recommendation #1: The RDN should support recommissioning of the South Wellington School building as a community centre.

Recommendation #2. The community organization operated model should be considered the preferred approach.

Recommendation #3: Ensure that a sub-lease agreement with a community operator is developed collaboratively, focused on sustainability and clear.

Recommendation #4: Ensure that the programming coordination function is sufficiently supported.

Recommendation #5: Enhance the facility infrastructure to ensure safety, accessibility and functionality.

Recommendation #6: Identify opportunities for indoor and outdoor synergies and cross-use.

Recommendation #7: Develop a business plan for the facility.

TABLE OF CONTENTS

ONE

STUDY BACKGROUND & PURPOSE

The South Wellington School building sits on an approximately 3 acre site located immediately west of the Trans Canada Highway in Area A of the Regional District of Nanaimo. The building was last used as an elementary school in 2013 and remains under the ownership of Nanaimo Ladysmith Public Schools (School District 68).

In recent years there has been a desire among individuals and groups in the community to recommission the building for use as a community centre. The South Wellington and Area Community Association (SWACA) has been the primary community voice behind this push and has previously conducted community engagement and initial planning to provide a basis for the potential project. In February 2021, the Regional District of Nanaimo retained a consulting team led by RC Strategies with support from FaulknerBrowns Architects to further explore the viability of the potential community facility and potential operational approaches.

Site Location (Source: Google Earth)

TWO

FACILITY AND SITE CONTEXT

SITE OVERVIEW

As is most common with school sites, the indoor structure is co-located with a number of other amenities that support the school (when it was in operation) and also provide broader community recreation benefits. A unique characteristic of the site context is that there is not a gymnasium in the school building itself, but rather one is located across the street at the Fire Hall. This gymnasium was recently retrofitted due to fire damage and is in excellent condition.

Summary of Site Amenities

Table 1

Space Type	Characteristics
School Building	Classrooms, office space, support and circulation spaces, covered outdoor play space **Additional detail provided later in this section.*
Sports field	Cross-over playing field (capable of supporting ball and field sports). Approximately 45m x 90 m
Playgrounds	Two playground structures; the larger of the two structures is relatively new and in good condition. There is a significant amount of debris and piles of gravel in the playground area that may present a hazard to safe use of the playground and should be removed.
Sport court	Asphalt sport court (33m x 18m) located adjacent to the school. The court surface has a seem crack through the middle and may require resurfacing if used to a higher degree of intensity in the future but is generally sufficient for basic use.

SUMMARY REVIEW OF THE ENGINEERING FEASIBILITY REPORT (2020)

One of the consulting team's initial tasks was to review a Feasibility Study report issued in 2020 by Herold Engineering. The report contained findings from a physical condition assessments of the structure (Envelope, Structural and Hazardous Materials) and provides recommended upgrades and estimated costs for converting the existing South Wellington Elementary School Building to a Community Centre. Provided as follows is a synopsis of key findings from the review of the 2020 Feasibility Study report.

Immediately Recommended Upgrades for Occupancy

- **Seismic Retrofit** (with potential for phased delivery): Based on proposed use, recommends a significant life safety retrofit (1 or 2 phases) based on Seismic Project Identification Report (SPIR) completed in 2012 to align with ' normal' level of importance category, unless facility is to be used as post-disaster refuge. Retrofit to include foundation upgrades, bracing, infilling several clerestory windows, roof diaphragm.
- **Renewal of Life-expired Components:** Roof (Membrane replacement, exterior rigid insulation addition), Windows, Exterior Doors and Exterior Painting.
- **Mechanical/Electrical Code/Life Safety Upgrades:** fire stopping, exit signs and pull stations, fire safety plan, plumbing fixture deficiencies.
- **Site Parking and Barrier Free Design Upgrades** (not included in Cost Estimates): modifications to building and exterior access.
- **Hazardous Materials:** Asbestos containing mastic in heating duct joints, drywall joint compound, sheet vinyl flooring and vinyl floor tiles will require assessment and remediation during any construction activity.

Short to Medium Term Maintenance and Renewal Recommendations

- **Major items nearing end of useful life:** Mechanical, electrical, water filtration, fire suppression
- Removal of in ground oil tank (risk of leaking) and replacement with above ground tank or alternate heating system
- Building Enclosure Upgrades: Improvements to poor airtightness and insulation values

The report recommends the septic system is reviewed by a Registered Onsite Wastewater Practitioner (ROWP) for maintenance and renewal advice.

Table 2

Opinion of Probable Costs	
Replacement Cost	$4,052,000
Recommended Minimum Upgrades	$1,050,000
Major Building Upgrades	$3,160,560

'The building may be a good fit for use of space by a community group as a Community Centre, however; significant capital expenditures are highly likely to be required in the short to medium term in order to successfully occupy and operate the building safely.' **– Herold Engineering Feasibility Report, June 2020**

Potential Limitations

The proposed seismic retrofits include:

- Proposed interior and exterior cross-braced bays (specifically at Covered Play Area and Interior Partition Walls): will limit programmatic flexibility in terms of larger, undivided (clear span) space. Alternative structural means of addressing upgrade requirements may be explored be considered to suit determined programming needs.
- Proposed Infilling at East Elevation clerestory glazing (Four no. 8 foot window sections): may reduce daylight to interior space (up to 50%)

The proposed immediate and short to medium term upgrades represent significant capital expenditures. Site Improvements, accessibility upgrades have not been included in the cost estimate, and these are likely to contribute considerably to the overall construction cost.

Please refer to Section 7 of this report for additional information of the potential capital cost investment.

FACILITY AND SITE REVIEW (2021)

To become more familiarized with the site context and key issues identified by the 2020 engineering assessment, members of the consulting team visited the site in March 2021. Access was provided to the building interior as well as exterior common areas. The roof, crawlspace, lower level washrooms and service rooms were not reviewed. Onsite observations have been cross-referenced against the recent engineering assessment report and available construction documents. The following is a high-level summary of physical site constraints, access and circulation, programmatic possibilities and required improvements for use as a community centre.

Existing Facility Infrastructure Observations

Constructed in 1969, the building appears to have had only minor alterations over the decades. The facility has not been in use for a number of years. The building shows significant wear from lack of maintenance and some vandalism. As expected for a building over 50 years old (Life Cycle Stage 5), many building components are at the end of their useful life and will require ongoing repair or replacement, as outlined in Herold Engineering's report.

Table 3

Schedule of Areas		
	Area (ft^2)	Area (m^2)
Classrooms (no. 7: 790ft2-910ft2)	6087	566
Offices	559	52
Washrooms/Change Rooms	284	26
Circulation/Support Spaces	2177	202
Total (Conditioned Spaces)	**9108**	**846**
Outdoor Covered Play Area	2207	205
Crawl Space/Lower Level Storage	5932	205

Classroom/Office Space

The building offers 7 'classroom' spaces ranging from 790ft2 to 910ft2) with 3.2m (10'-6") clear ceiling heights to underside of structure. The classrooms typically offer at least 8m x 8m (26ft x 26ft) clear dimensions. Note: Herold Engineering's report assumes partition walls between the classrooms contributes to overall seismic resistance. With the proposed addition of new shear walls/brace bays, there is flexibility to remove some of the partitions between classrooms, if desired. This would allow for a clear space of 16.8m x 8m (55 ft x 26ft).

All classrooms feature a sink, natural light, ample wall space lined with pinboard material and white boards. Flooring is typically hard-wearing linoleum, except for carpet at the former-staff areas and central 'library' classroom, and sheet vinyl at the washrooms. Four classrooms have direct exterior access along the west façade.

Storage

A large storage space exists at the lower level and ample shelving is provided. Eventual upgrades may consider inclusion of additional dedicated storage for the facility.

Covered Play Space and Exterior-Access Washrooms

Existing lower level washrooms, accessed from the Outdoor Covered Play Area could prove a useful 'field-house'-style amenity for outdoor programming spaces.

Access

The facility does not have a parking/drop off area near the main entrance. There is currently an unmarked, gravel parking area accessed off Morden Road with space for 8-11 vehicles.

A service/fire access route runs along the south end of the site and along the west property line.

Transportation Access and Parking

Demand for the eventual proposed use will determine overall surface parking space need.

RDN Bylaw No. 500 requires for Community Hall 1 space per 20m2 of gross floor area. Estimated use of current classroom space as community centre space would require:

- At least 29 off-street parking spaces, including 1 accessible space.
- Bicycle parking is not mandated, but would align with Electoral Area 'A' Official Community Plan Objective 9.1.7 for Trip-end facilities available in a visible location accessible by the users of the site.

There is space adjacent to the south entrance to provide an accessible parking area/drop-off, with space for approximately 6 stalls (including 2 accessible) off the service road. An additional parking area could be created by converting the paved sports court to parking area, or by extending a public access road to the gravel area north of the facility.

The nearest bus stop is located close by, at the corner of Morden Road and South Wellington Road.

Fire Access Route

An existing fire-access route is provided to the south of the building off Morden Road. Site improvements may be required to ensure emergency vehicle access requirements (width, overhead clearance, turning radius).

Code-required upgrades for occupancy

For Interior renovation for conversion to community centre, the following work is required to bring the building to 'acceptable' level (per British Columbia Building Code and other applicable retrofit guidelines, as acceptable to Authority Having Jurisdiction):

- **Fire and Life Safety –** Electrical upgrades to ensure fire exits do not present an unsafe condition (fire stopping, new exit signs and pull stations, fire safety plan)
- **Structural –** Non-structural elements and falling hazards must be restrained to resist lateral loads due to earthquakes (minimum seismic protection). Based on review, this may include interior partition walls, ceilings, overhead mechanical/electrical/ lighting.

Note: Herold Engineering 2020 Report recommends additional life safety upgrades towards long term structural seismic solution to a 'normal' level of importance category in accordance with the Ministry of Education Seismic Retrofit Guidelines (SRG). Retrofit to include foundation upgrades, bracing, infilling several clerestory windows, and roof retrofit.

- **Energy –** Upgrade Floor Insulation, Balance Mechanical Systems, Lighting Upgrades (high efficiency and controls).
- **Accessibility –** Limited upgrades to ensure access for persons with disabilities. Based on onsite observations, required alterations would include new accessible ramp access to main entrance from a new accessible parking/ drop-off location, wider entry door clearances, and door hardware/threshold replacements.

WC Facilities – The facility does not meet the minimum accessibility requirements for alterations to existing buildings as none of the WCs meet the accessibility requirements. Barrier-free code conformance could be achieved by:

- Converting either (or both) existing boys or girls room to Universal washroom
- Retrofiting the medical room to a universal WC

Dependent on selected upgrade, washroom fixture count will limit occupant load to between 100 - 200.

Exterior-access lower level washrooms do not meet barrier-free code requirements. If alternate accessible public toilets are always made available these toilets are in use, accessibility upgrades may not be required. For greatest flexibility and potential for after-hours use, renovation of the lower level washrooms for barrier-free access is recommended.

Applicable RDN Policies

Construction work or renovations done onsite will require compliance with the following RDN Policies:

- Board Policy B1.16 Green Building Policy for RDN Facilities: IDP consultant process required. Unless major renovation is considered, GHG reduction/LEED targets would likely not be required.
- Board Policy B1.20 Wood First Policy for RDN Facilities: consideration of certified sustainable forest products. If addition is required, use of wood products as primary building material (for structure) and give consideration to woodbased biomass as a renewable energy source.

In addition to the above noted design and construction policies, space development and retrofits will need to align with permitted uses as identified in other RDN policy and bylaw documents.

THREE

MARKET CONTEXT

POPULATION AND DEMOGRAPHICS OVERVIEW

As reflected in Table 4, the Regional District of Nanaimo's Electoral Area A has 7,058 residents and has experienced modest levels of population growth over the last twenty years.

Table 4

Census (Statistics Canada)	Population	% Growth from Previous
2016	7,058	2.2%
2011	6,908	2.4%
2006	6,751	5.3%

The following chart further contrasts key population characteristics of Area A with the Nanaimo Census Metropolitan Area (CMA)[1] and provincial averages.[2]

Table 5

Population Characteristic	RDN Electoral Area A	Nanaimo CMA	Province of British Columbia
Median Age	49.1	45.9	42.3
Proportion of Youth (14 and under)	13.7	14.4	14.9
Proportion of Adults (15 to 64)	66.3	63.7	66.9
Proportion of Seniors (65+)	20.0	21.9	18.3
% that speak a non-official language (language other than English or French) most often at home	0.6%	3.7%	15.6%
% that commute over 15 minutes to work	72%	57%	71%
Median total household income, before tax	$71,680	$62,844	$69,995
% of households that meet LICO-AT criteria (low income cut-offs, after tax)	5.5%	9.9%	11.0%

HOW MIGHT THESE CHARACTERISTICS IMPACT COMMUNITY SPACE AND PROGRAM NEEDS?

- 72% of Area A residents in the labour force commute more than 15 minutes to and from work. This dynamic could suggest that there may be an increased need for children and youth after school programming and that convenience will be an important consideration for many.
- While the median age of Area A is almost 50 years old, additional analysis of the Census data indicates that nearly one-quarter of the population is under the age of 25. This dynamic will require community facilities and programmers to offer a diversity of opportunities.
- While a lower proportion of residents in Area A meet LICO-AT guidelines (a standard used to assess those individuals and households considered in poverty) compared to the overall Nanaimo and provincial averages, it should not be assumed that affordability is not a prevalent challenge. The LICO-AT metric does not capture those residents who are "working poor", simply those facing extreme levels of poverty.

1 CMA's reflect a broader service area beyond its municipal boundaries and thus provide an overview of the population characteristics of an urban area.

2 All data from Statistics Canada, 2016 Census of the Population.

OVERVIEW OF CURRENT PROGRAMMING (2019)

In 2019, the Regional District of Nanaimo contracted a consultant to undertake an inventory of recreation opportunities in Electoral Area A. This scan found that 33 different program opportunities were available with the most common types being equestrian (4), outdoor recreation (4), yoga (4), fitness (4), arts / crafts (4), martial arts (2) and baseball (2). The majority of these programs took place at the Cedar Heritage Centre and Cedar Community Hall facilities.

ACCESS TO RECREATION SPACES AND PROGRAMMING

Table 6 identifies the closest existing indoor community spaces to the north, south and east of the South Wellington school site - a practical way that many residents look at their ability to access facilities and programming. Given these proximities and the barriers posed by roadways and waterways, it can be reasonably stated that residents living in the South Wellington area (and generally in Area A to the west of the Trans-Canada Highway) do not have readily accessible indoor community space within a reasonable walking or biking distance.

Table 6

Space	Space Characteristics	Programming / Activities Offered	Travel Distance from the South Wellington School Site
Cedar Community Hall	Hall with seated capacity of 238 people and a stage Kitchen Smaller annex room Green room	Bookings for social events Variety of community programs (including: arts classes, Nanaimo Fiddle Association, dog obedience classes, martial arts, community theatre)	8.1 km
Cedar Heritage Centre	2 program rooms (capacity: ~50 people)	Able to accommodate smaller social gatherings (e.g. birthday parties) Used regularly for arts and exercise programs	4.9 km
Nanaimo Aquatics Centre / Nanaimo Ice Centre ***Nearest City of Nanaimo indoor recreation site***	Two ice arenas Primary aquatics facility in the Nanaimo area	Arena: skating, hockey Aquatics Centre: swimming programs and spontaneous aquatics opportunities	10.9 km
Frank Jameson Community Centre (Ladysmith)	Aquatics centre Fitness centre Gymnasium Program rooms	Variety of recreation and community programming	14.3 km
Saltair Community Centre	Gymnasium Program rooms Daycare	Programs offered by the Chemainus Arts Group, Saltair Quilters & Fiber Arts Group and other community organizations	20.9 km

FOUR

CASE STUDIES

Presented as follows in this section are a number of case study examples that reflect different governance, management and operational approaches for converting older school buildings for community use.

LOCAL COMMUNITY CENTRE EXAMPLES

Profiled as follows are two community centre facilities in the local region (mid-island). Both of these examples have a similar overall context to South Wellington – decommissioned schools that required investment to support use as a community centre. However, it is important to note one significant difference that exists between these two examples and the South Wellington building. Both examples (Saltair Community Centre and the Cowichan HUB building) have gymnasiums which provides a primary rental and large, multi-purpose program space. The Cowichan HUB also benefits from a couple larger span room spaces and annex buildings which provide additional lease and rental opportunities.

Saltair Community Centre

Background and Context: The Saltair Community Centre operates out of a decommissioned school building, formerly known as Mount Brenton School, and is located in the Chemanius / South Oyster area within the Cowichan Valley Regional District. The building was originally constructed in 1949 and decommissioned as an operating school in 2002. The building was purchased by the private sector in 2004 and remained largely unused for a period of approximately 10 years before being purchased by the CVRD in 2014. In 2015, the Saltair Community Society was formed with the intent to operate the building for community benefit. A lease agreement between the Society and the CVRD was signed in 2016 (2 year term) and renewed in 2019 for an additional five years. Spaces in the building include multi-purpose rooms (old classrooms) and a gymnasium.

Use of the Space: The Society acts as a coordinator (booking agent and allocator) of space to community groups, fee for service programs and other community based programs. Regular user groups include the Chemainus Art Group (a collaborative of over 60 artists) and the Saltair Quilters & Fiber Arts Group. A day care provider also leases space in the building.

Operating and Funding: Summarized as follows are a number of notable operating and financial characteristics of the facility.

- Initial start-up investment in the facility was minimal, however over the last two years significant investment has been undertaken to address high priority issues and repairs (including the roof replacement and mold abatement).
- The Society leases the building for $1 per year from the CVRD and is responsible for all operating and maintenance expenses.
- The Society does not receive funding to support ongoing operations but does receive funds from Saltair Recreation (via a tax requisition) and a Community Works Gas Tax to support infrastructure improvements and upgrades to the facility as funding and borrowing capacity is available.
- The original lease agreement excluded use of the gymnasium space from the lease agreement due to concerns with the condition of the space, however as many of these issues have been rectified a provision was included in the lease renewal to allow access as part of the community centre functions.

www.saltaircommunitycentre.ca

The HUB at Cowichan Station

Background and Context: The Cowichan Station School closed in 2007 and was recommissioned as a community centre in 2011 by the Cowichan Station Area Association, a local not for profit organization. The site remains under the ownership of School District 79 and is operated by the Association under a 40 year lease agreement. Rehabilitation of the facility has occurred over a number of years as fundraising and grant procurement efforts have been successful. The facility includes a community café, community room with kitchen, multi-purpose room, and a gymnasium with a stage. An Annex is leased to a child care provider. In recent years the Association has been successful at procuring a number of large grants and is modernizing the building and site.

Use of the Space: The HUB Café facilitates drop-in socialization for many residents and is a key aspect of the facilities broader community benefit and mandate. The facility is used for a variety of programs, including those offered directly by the Association and through rental groups. These uses include:

- Specialized arts and crafts (maker spaces have been developed for the Cowichan Valley Rockhounds, the Clay Hub Collective and the Cowichan Community Workshop)
- Community theatre and movie nights
- Martial arts
- Fitness
- Family supportive and skills development programming

Operating and Funding: Summarized as follows are a number of notable operating and financial characteristics of the facility.[1]

- The Association receives ongoing operational support from CVRD Areas B and E. In 2019, these contributions totaled approximately $32,000.
- Of revenues generated from spaces in the facility, approximately 75% are derived from rentals and sub-leases, 15% from HUB programming, and 5% from other sources (community events and special workshops / functions). **Note: if HUB programming expenditures were deducted from revenues, programming would operate at just over break even.*
- After deducting operating grants, contributions and donations, the facility generated approximately $135,000 in revenues in 2019. Expenses totaled $115,565 with payroll being the largest single expense line item (43% of total expenses) followed by cleaning (20% of total expenses).

1 As per the Association's Annual Report, 2019

https://cowichanculture.ca/thehub

OTHER EXAMPLES (NON-LOCAL)

Additional research was undertaken to gain a further insight into how other local and regional governments have managed and supported the provision of smaller scale community centres in former schools.

Regional District of Central Kootenay

- The Regional District of Central Kootenay (RDCK) owns one operational community centre in a former school building; the Riondel Community Centre. **One other former school owned by bthe RDCK is currently being demolished.*
- The Riondel Community Centre includes a community library, program spaces and a gymnasium. The facility requires an estimated $1.2 million in renovations; a 2015 referendum on these repairs was defeated. Investment over the past five years has been required to address critical issues and undertaken on an "as needed" basis.
- The Village of Salmo and Town of Creston (municipalities within the RDCK) also each operate community centres out of a decommissioned school. The RDCK lease a part of each facility (Salmo – fitness room; Creston – office space and a small rec space).

Parkland County

Parkland County, located immediately west of Edmonton, encompasses a number of smaller communities with decommissioned schools. One of these buildings, the Keephills School, was decommissioned in 2015 and the County assumed ownership of the site in 2018. The building currently operates using a "condominium" model with two owners and common property. *Of note, the County is currently going through an engagement process to determine how to best allocate and make use of space that falls under its ownership.*

Keephills Facility Map

(Two unit condominium)

Common property owned by Keephills Condo Association include the main entry, change rooms, mechanical room, and caretaker room

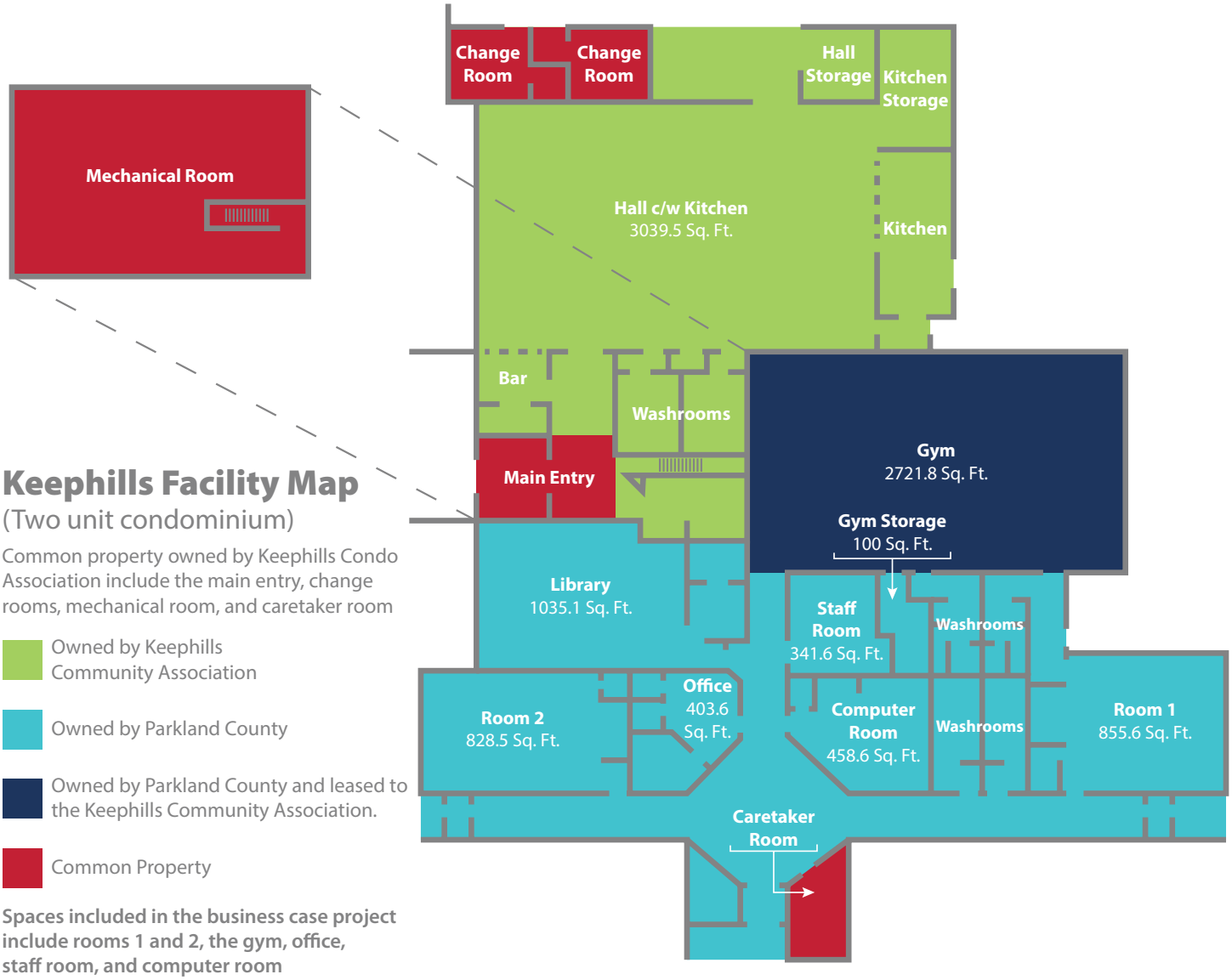
Owned by Keephills Community Association

Owned by Parkland County

Owned by Parkland County and leased to the Keephills Community Association.

Common Property

Spaces included in the business case project include rooms 1 and 2, the gym, office, staff room, and computer room



Parkland County, Keephills Facility Map

FIVE

STAKEHOLDER ENGAGEMENT FINDINGS

The consulting team conducted eight interview sessions with individuals from the local community, including representatives the following groups:

- South Wellington and Area Community Association (SWACA)
- Cedar Heritage Centre
- Cedar Community Hall
- Regional District of Nanaimo

These discussions generally focused around the benefits of the potential project, space and programming needs, and the best future operating and management approaches. Summarized as follows are key themes and points of interest from the interviews.

- Stakeholders were overwhelmingly supportive of retrofitting the South Wellington School building into a community centre. Numerous comments were made that the loss of the school in 2013 was a significant blow to the fabric of the community and a new "hub" building and site will help rectify that sense of loss and bring life back to the community.
- The area has an eclectic mix of residents with varying demographic and socio-economic characteristics and interests. Stakeholders strongly asserted that a community centre in the area will need to offer a diverse mix of programming and place an emphasis on affordability.
- The facility being open and accessible throughout the day was identified as a critical success factor by a number of stakeholders. It was suggested that this could be achieved through a combination of paid staff, volunteers and ensuring that programming is distributed throughout the day. While formal and structured programs (e.g. fitness classes, arts classes, etc.) will be an important part of the programming mix, stakeholder expressed that the facility needs to be staffed and set-up to accommodate a host of drop-in activities (community library, café / food services, open rooms for arts and crafts, etc.).
- Stakeholders indicated a strong preference for the facility to be community operated. Reasons provided for this preferred approach included creating a direct connection between the community and the facility, opportunities to lever the facility to create community capacity, and distrust of the RDN.
- Stakeholders are aware that the facility requires investment and improvements before it can be used as a community centre. However, most indicated that beyond required safety and accessibility upgrades there is not a need to undertake significant aesthetic improvements and that the community is not expecting or needing an "urban" recreation experience.
- A handful of stakeholders expressed the importance of integrating indoor and outdoor spaces on the site. The potential of the covered area as a patio overlooking the sports field and court spaces was commonly mentioned as an opportunity.

- Stakeholders would like to see the RDN and keep an open mind with regards to the nature of a lease agreement with the facility operator and permit sub-lease opportunities to private operators and vendors.
- The past history and future need for a recreation coordinator was a topic many stakeholders were keen to discuss. Some stakeholders expressed that having a person in-place to coordinate programming in the South Wellington facility and across other facilities in Area A (to avoid duplication) was identified as an important success factor. While the SWACA group (or an entity emanating from this group) is generally thought best positioned to manage the facility, they were not viewed as the ideal program delivery agent for activities at the facility.
- Further to the idea of SWACA or a potential offshoot organization operating the facility, a handful of stakeholders (including some involved with SWACA) acknowledged that the organization may require some capacity building support before it is positioned to successfully manage a community centre facility.
- Types of potential capacity building supports identified through the discussions included help with grant writing, support with administrative functions (e.g. bookkeeping), and staff training.

Engagement Undertaken by the South Wellington and Area Community Association

During the interview sessions representatives from SWACA also shared findings from a survey that they had previously facilitated in the community. Summarized as follows are the top five goals for the potential community centre that emanated from the survey.

- Sports & Fitness
- Community events and space
- Arts
- Community services (including farmers market / market garden types of spaces, kids programming, food and beverage, etc.)
- Outdoor play space / park

SIX

POTENTIAL OPERATING APPROACHES

Two overarching operational approaches are realistic for the potential South Wellington Community Centre; operation by the Regional District of Nanaimo or sub-lease by the RDN to a not for profit community organization. Both of these approaches assume that Nanaimo Ladysmith Public Schools (School District 68) will continue to retain ownership of the site. Provided as follows is a description of these two approaches

OPTION A: RDN OPERATED FACILITY

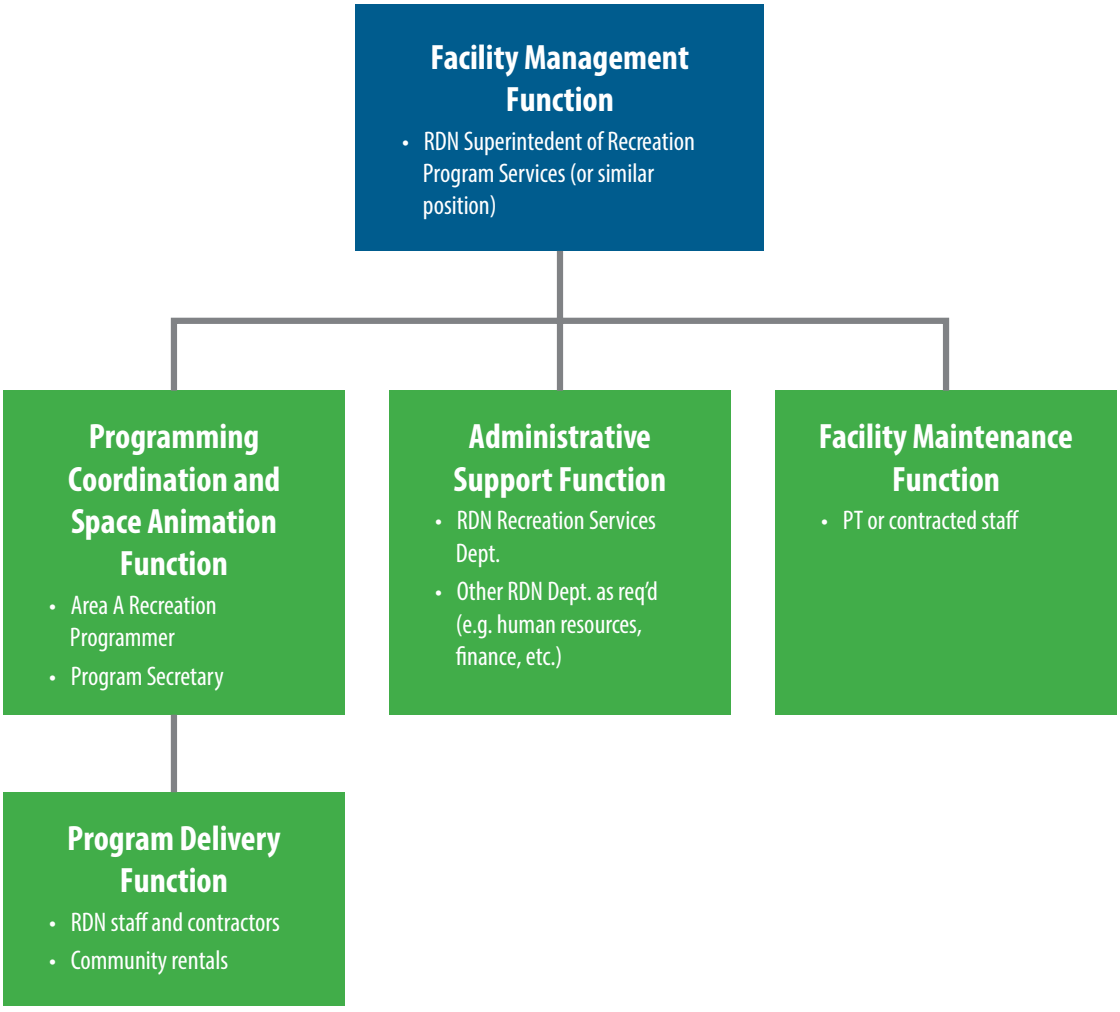
Governance, Management and Decision Making: Using this model, the Regional District of Nanaimo's Recreation Services department would operate the facility within a budget and tax requisition amount approved annually by the RDN Board of Directors. Strategic direction for the facility would be set by the department through a facility business plan and/or a broader guiding document such as an Area A Recreation and Culture Master Plan or Strategic Plan. The Electoral Area A Parks, Recreation and Culture Commission would serve in an advisory capacity with the ability to make recommendations to the Regional Board and provide overall community leadership and strategic liaison support to the facility.

Program Delivery: Program delivery at the facility would occur through both direct and indirect methods as described below.

Direct delivery – RDN staff (or contractors) provide the program / activity. This scenario is most likely when specialized skill sets or equipment is required or synergies exist with other RDN delivered programming.

Indirect delivery – this method of delivery would take place in the form of rentals to community organizations or approved third party program providers.

Staffing – Summary of Positions Required: The following graphic summarizes a likely staffing model for RDN operations of the facility. Under this model, the RDN's Superintendent of Recreation Program Services (or similar position) would provide management and oversight of the facility. The potential new Area A recreation programmers would be extensively involved in helping program and animate the facility with support from a part time Program Secretary. These roles would also be critical to coordinating community rentals, RDN delivered programming, and spontaneous / casual access to the facility. Maintenance would be undertaken through a part-time staff position or contract and it is assumed that existing RDN resources would be leveraged to fulfill human resource and financial functions (e.g. annual reporting, accounts receivables and payables, etc.).



OPTION B: COMMUNITY OPERATED

Governance, Management and Decision Making: This model would entail the RDN sub-leasing operations of the facility to a not for profit based organization, assumed to be SWACA or a new entity created by the existing organization. The primary facility operator may also be permitted to further sub-lease spaces to regular users or service providers (e.g. day-care, food vendor, etc.).

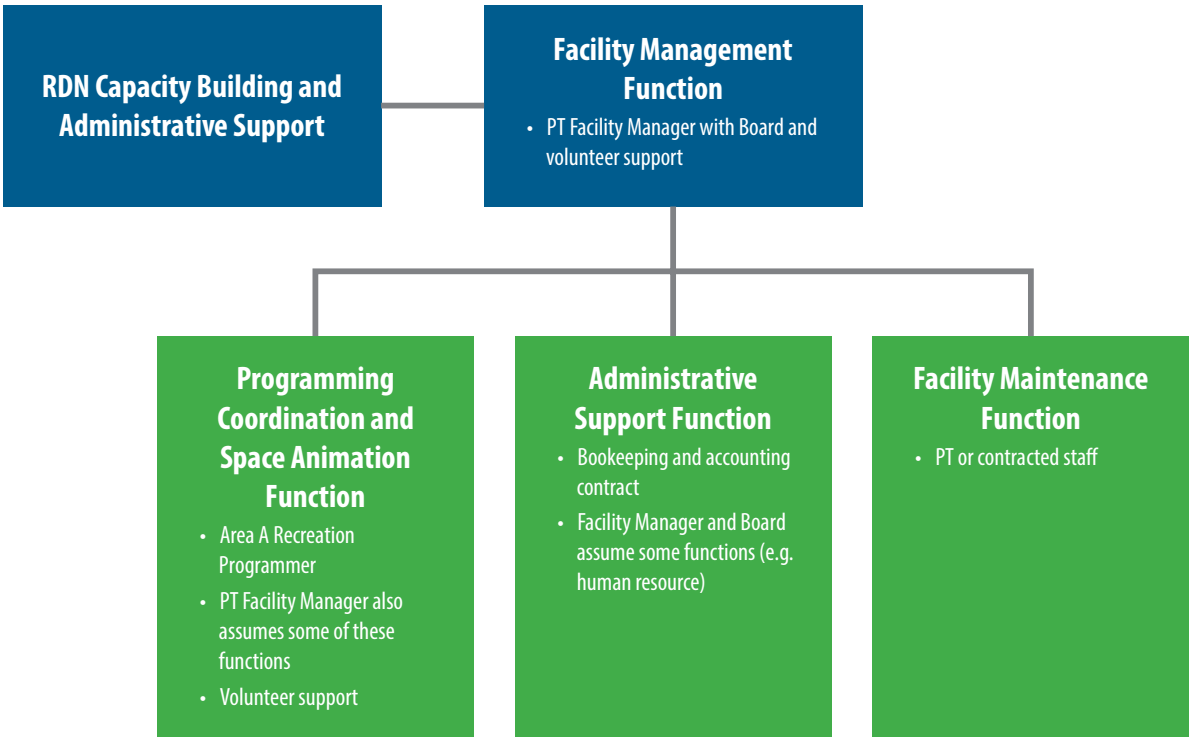
While facility management agreements vary they often include the following base components:

- Threshold amount for repairs that are deemed to be capital vs maintenance.
- General guidelines for how the space can be used and purposes for which it can be rented or sub-leased.
- Annual reporting protocols.

The Province of British Columbia's Societies Act requires that all registered not for profit societies appoint a Board of Directors. However, the degree to which a not for profit Board works at the advisory level versus an operational level is up to the organization and varies greatly. This dynamic and governance and decision making impacts on the facility may warrant further discussion and clarity between the RDN and the prospective operator.

Program Delivery: The consultant's engagement with SWACA indicated that they feel best positioned as a facility manager but would prefer not to directly offer programming. As such, under this approach programs would be planned and executed by individuals and community organizations that rent space from the facility operator (the RDN would likely be one of the primary renters of space for programming). The potential Area A programmer would also conceptually play a significant role in programming the facility.

Staffing – Summary of Positions Required: The following graphic illustrates a potential staffing model for a community organization operated facility. Critical to this model is the Facility Manager position who it is assumed would fulfill a number of functions including scheduling and booking, administration, and overall management of the facility. The model also assumes that some skill sets and resources can be leveraged from the Board and other volunteers. Similar to the RDN operated model, the potential Area A programmers would play an important role in helping program and animate the space. Also similar to the RDN operated model, facility maintenance is assumed to be contracted under this model. It is important to reiterate that the not for profit operating entity operating the facility under this model would be new and likely to require some support from the RDN out at the outset of operations and possibly on an ongoing basis to support capacity and success.



SEVEN

FINANCIAL IMPACTS

OPERATING COST ANALYSIS

A high level operating budget was developed to estimate the revenues and expenditures for the facility. As reflected in the following summary chart, both operational options are likely to require a subsidy amount to support ongoing operations with the community organization operated model projected to be slightly more cost efficient.

Table 7

	RDN Operated Model	Community Organization Operated
Revenues	$54,920	$54,920
Expenses	$162,827	$150,867
Net	($107,907)	($95,947)

Noted below are key assumptions and parameters used to develop the operating estimates summarized in Table 7. **Please refer to the Appendix for additional detail on the revenues, expenses, and assumptions.**

- Costs associated with delivering programming (e.g. instructors, equipment, etc.) are assumed outside of facility operations and the responsibility of the user groups that rent space.
- Regardless of the operational model, a programmer position will be required to ensure the space is animated and used to its fullest potential. This position will also be important to avoid duplication and programming overlap with other facilities in the area. For the purposes of this operating budget (both options), it is assumed that this position will provide service to a broader area and therefore be funded and accounted for outside of facility operations.
- It is assumed that revenue potential would be the same across both options. Rental revenues have been based on 20% of available capacity being consumed by paid users at an average of $20 per hour.
- The operating budget includes an annual allowance of $10,000 for minor maintenance repairs, supplies and upkeep; however major capital repairs are not factored into operations.
- Both options assume that maintenance will be contracted or provided by a part-time staff position.
- It is assumed that the community organization operated model will have the ability to leverage some volunteer labour; whereas the RDN operated model will likely not (at least not to the same degree).
- Demand for, and viability of, lease spaces is unclear (e.g. fitness, child care, food services, etc.). ***It is also important to note that the use of potential lease and support service spaces will need to comply with pertinent RDN bylaws and policies.*** As such, these spaces are assumed at a net $0 operating position and will require further exploration once a decision has been made on the project.
- It is likely that the community organization operated model would be able to leverage grants and other sources of revenue available to not for profit groups. However as these opportunities are inconsistent and funds are often not permitted for operational use, they are therefore not factored into the estimated operating budgets.
- Tax requisition and RDN grants are additional not factored into the estimated operated budgets. As both scenarios operate at a deficit without these funds it is likely that ongoing support will be required.
- The estimated operating budgets do not include a lifecycle or capital reserve allocations. Typically, a contribution in the range of 2-4% of the capital replacement value is recommended.
- While under the Community Organization Operated model the RDN would not have ongoing operational day to day responsibility for the facility, RDN staff resources will be required to support capacity building and some administrative functions of the facility. As such, a placeholder allowance is included in the Community Organization operated model to account for RDN staff time to support the formation, start-up and operational responsibilities of a new not for profit entity. This involvement and associated level of staff resource requirement may decrease over time as the new not for profit entity gains capacity and builds internal expertise.
- Undertaking the required capital facility improvements will require staffing time. This has not been accounted for in operations but is reflected in the following sub-section on capital impacts.

CAPITAL COST IMPACTS

The Feasibility Study Report for the facility developed by Herold Engineering in 2020 identified a minimum investment amount of $1,050,000 to support safe, accessible and functional occupancy of the building. Estimated costs for inflation, fees and permitting and project management have been added to this estimation, resulting in an estimated total capital cost impact of $1,232,500.

Table 8

Item	Estimated Capital Cost
Life Safety and Building Code Upgrades as per 2013 Ministry Report	$5,000
New Roofing including plywood sheathing from Seismic Upgrade	$170,000
New Bathroom and Kitchen plumbing Fixtures and Finishes	$75,000
Hazardous Materials Abatement	$25,000
Phase 1 of Life Safety Seismic Upgrade	$600,000
Contingency (20%)	$175,000
Sub-Total	**$1,050,000**
Inflation (5%)	$52,500
Fees and Permits	$30,000
Project Management	$150,000
Total Estimated Capital Cost Impact	**$1,282,500**

Noted below are additional capital cost considerations.

- The Feasibility Study Report for the facility developed by Herold Engineering in 2020 estimated the cost of major building upgrades to be $3,160,560. The Facility Condition Index (FCI) tool is often used by governments to suggest whether re-investment into existing infrastructure is the best course of action. The FCI tool would suggest that this more significant level of major building upgrades is not warranted given that the cost is likely similar to the replacement value of the facility.
- The capital costs reflected in Table 8 do not include costs associated with adjacent outdoor amenities such as the playground, sport court and sports field. These spaces are however important to the overall benefit of the site and community fundraising to refurbish / enhance these spaces will be beneficial.

EIGHT

COMPARATIVE ANALYSIS OF THE POTENTIAL APPROACHES

SWOT ANALYSIS

Table 8 presents a high level comparative SWOT Analysis (strengths, weaknesses, opportunities, and threats) of the two potential options.

Table 9

	RDN Operated	Community Organization Operated
Strengths	• Existing staff resources with experience in facility and program management. • Ability to leverage other internal RDN resources (e.g. human resources, accounting, asset management). • Eliminates the unknowns and risks associated with an upstart community group assuming operations.	• Likely to have higher levels of community buy-in and sense of ownership (investment in the success of the facility). • Ability to lever volunteer skill sets and expertise available within the community. • Slightly reduced operational costs relative to the RDN operated model.
Weaknesses	• While the RDN has significance experience and expertise with operating larger recreation facilities, direct operations of a local small-scale community centre would be a new endeavor. • Slightly higher operational costs relative to the community operated model. • May not be as well positioned to pursue grants and gaming revenues relative to community operated model.	• The local community does not have experience running a community centre facility; capacity and expertise likely require development and support. • Incremental RDN staff time will be required to support operations and ensure sufficient capacity.

	RDN Operated	Community Organization Operated
Opportunities	• Ability to meet broader RDN identified programming needs. • Provides space to support programming identified by the potential new Area A recreation programmer position.	• Provides a mechanism to build local community capacity. • Potential ability to lever volunteer labour and resources. • Opportunity to meeting community needs with community driven solutions. • Opportunity to create a system of program provision that includes both the RDN (via a potential new recreation programmer) and the local community. • Potential to pursue grants and gaming revenues for capital upgrades and special projects / initiatives.
Threats	• Perception that the facility isn't rooted in community need and benefit; may impact use and long-term success. • The age of the facility is a risk. While the 2020 assessment provides insights into needed repairs and infrastructure lifespan, there is also a risk of unknowns with an aging building. Resources limitations will likely challenge the funding of a capital reserve.	• Age of the infrastructure; potential for ongoing smaller maintenance and repairs to be a significant drain on resources; revenues also do not support funding a capital reserve. • Ability, willingness, capacity of the community to pay for programming is unclear. • The lack of a gymnasium in the South Wellington School building will limit some revenue opportunities but also helps contain some operational costs (utilities and cleaning).

SCORING OF THE POTENTIAL OPTIONS

Should the community centre project move forward, the RDN and its partners will ultimately need to decide on the best possible operating model and approach. The following chart identifies a number of key operating and management considerations and the model that is deemed most likely to achieve the best outcome for each. As reflected in the chart, the community organization operated model scores ahead of the RDN operated model. However, it is important to note that 'weighting' has not been applied to any of the considerations that may be deemed more important than others.

Table 10

Consideration	RDN Operated	Community Organization Operated	Rationale
Operating Cost Impacts / Efficiency	✓	✓	The operating estimates suggest that the community organization operated model is likely to have a slightly better net operation position relative to the RDN operating the facility. However, the RDN is best positioned to manage unforeseen operational requirements and has existing resources that provide economies of scale.
Capacity to Manage Risk	✓		The RDN is best positioned with staff and financial resources to manage a higher than anticipate operating deficit, unforeseen expenses, staffing challenges, etc.
Community Buy-In		✓	As per the SWOT Analysis, a community operated model is likely to have the highest degree of community support and perceived ownership of the facility's success.
Overall Community Programming and Activity Benefit (ability to identify and meet community programming opportunities and needs)	✓	✓	Under both models, a new Area A recreation programmer position would be heavily involved in programming and animating the space.
Opportunity to Develop Community Capacity and Leadership		✓	While community capacity and leadership can be developed under both models, placing aspects of operations in the hands of the community provides opportunity to create a sense of community pride and foster organic community development benefits.
Opportunities to Procure External Grant Funding for Capital Upgrades and Enhancements.		✓	A registered not for profit organization is best positioned to successfully pursue grant funding.
Total Checks	**3**	**5**	

NINE

RECOMMENDATIONS & NEXT STEPS

Based on the analysis and information contained in this report document, the consulting team has identified seven recommendations to guide future actions and next steps.

Recommendation #1: The RDN should support recommissioning of the South Wellington School building as a community centre.

Residents in the South Wellington area have a lack of indoor recreation spaces and opportunities. Barriers to accessing other spaces in the broader area also exist and include distance proximity, transportation, and man-made and natural barriers that limit safe access to other facilities via active transportation modes.

Recommendation #2. The community organization operated model should be considered the preferred approach.

Evaluation of the two potential options suggests that the community organization operated is most beneficial and this approach has also worked successfully in other communities. However, the success of this model will require is likely to require the RDN to support the facility financially and work with the community operator on an ongoing basis to develop capacity and ensure sustainability of the facility operator. This will require RDN resources to support administrative, staff and volunteer skill development, and program delivery. The RDN should ensure the costs and resources required for these support functions are recognized and adequately available.

Recommendation #3: Ensure that a sub-lease agreement with a community operator is developed collaboratively, focused on sustainability and clear.

Key topics that should be sufficiently addressed in the agreement include:

- Responsibilities for maintenance / upkeep vs capital repairs (e.g. clear threshold)
- Use parameters (types of uses can take place at the facility)
- Revenue generation and sub-lease parameters (can the community organization holding the sub-lease with the RDN further sub-lease out spaces to public or private sector providers?)
- Support provided by the RDN (what financial and human resource support will the RDN provide to ensure sustainability?)
- Performance measurement reporting (beyond submitting annual financial statements, how can success of the facility be measured and demonstrated?)

Recommendation #4: Ensure that the programming coordination function is sufficiently supported.

Animating space and ensuring that programming meets a wide array of community needs is critical to the success of any community centre facility. The existence of a qualified community recreation programmer will help ensure optimal use of the facility and create coordination (and avoid duplication) across Area A. As such, it is suggested that the RDN work with its partners in the area to address the need for programming support and coordination.

Recommendation #5: Enhance the facility infrastructure to ensure safety, accessibility and functionality.

The facility requires a number of upgrades before it can be used for community programming and activities. More substantial aesthetic, space customization or expansion upgrades should be deferred until programming demand and overall facility levels of use are clearer. Additional architectural expertise could be retained to identify a range of investment options and conceptual approaches.

Recommendation #6: Identify opportunities for indoor and outdoor synergies and cross-use.

A significant trend in recreation is the preference for developing multi-purpose community "campus" spaces that provide a variety of activity opportunities for all ages, ability levels and interests at a single site. The indoor building can provide amenities (e.g. washrooms, change rooms, food areas etc.) that can support users of the playground, sports courts, and sports field, and correspondingly, the outdoor amenities can drive traffic to programming and activities taking place inside the building. Opportunities to increase access to, and use of, the gymnasium space located across the street at the fire hall should also be explored.

Recommendation #7: Develop a business plan for the facility.

Should the project move forward and prior to opening the facility, it is suggested that a business case be developed that further explores revenue considerations (rates, anticipated levels of use, etc.), confirms expenditures, and refines staffing needs for the facility.

APPENDIX

OPERATING BUDGET ASSUMPTIONS

Capacity Assumptions	
Days of Operation (5 days per week)	260
Operational Hours per Day (e.g. 9 a.m. - 9 p.m.)	12
Annual Capacity per Space (Hours)	3,120
# of Bookable Spaces	4
Total Bookable Capacity	12,480
10% of Capacity	1,248
20% of Capacity	**2,496**
30% of Capacity	3,744
40% of Capacity	4,992
50% of Capacity	6,240

Rental Rate Assumption	
Hourly Room Rental Rate	$20 / average per hour

Utility Assumptions	
Total Annual Electrical Consumption (kWh) (based on monthly average consumption from 2008 - 2014)	61,087 kWh
Average cost per kWh (2008 - 2014)	$0.09 kWh
Cost Assumption per kWh (current Commercial Medium General Service Rate)	$0.10 kWh
Total Annual Heating Oil Consumption (GJ) (based on monthly average consumption from 2008 - 2014)	201 GJ
Average Monthly Cost per GJ of Heating Oil	$22 GJ
Cost Assumption per GJ of Heating Oil	$50 GJ

RDN Operated Option – Preliminary Operating Budget

Revenues	Assumption	$
Room Rentals / Programming	20% of rental capacity assumed at an average of $20 / hour.	$49,920
Annual Drop-In Memberships	100 annual memberships at $50 / year.	$5,000
Sub-Lease Spaces (e.g. fitness, food services, child care)	If demand exists, assumed at net $0 to overall facility operations pending further exploration of demand, market conditions, and confirmation of permitted uses.	$0
Grants and Gaming Revenues	Unknown and may not be permitted for operational use.	$0
	Revenues	**$54,920**

Expenditures	Assumption	$
Facility Management	0.15 FTE of Superintendent, Recreation Program Services allocated to facility management.	$15,600
Programming Administration	PT Program Secretary (0.5 FTE)	$20,000
Staff Benefits	Staff costs at 24%	$8,544
RDN Internal Department Charge	Estimated allowance to account for other RDN department supporting facility management and operations (accounting and finance, human resources, etc.).	$7,000
Maintenance Staff	Contract or PT Staff	$40,000
Program Delivery Staff and Costs	Expenditures assumed to be incurred by organizations renting the space.	$0
Electricity Costs	Annual use assumption based x $0.10 kWh (see energy assumptions)	$6,109
Heating Oil Costs	Annual use assumption x $50 GJ (see energy assumptions)	$10,050
Water and Septic	Assumption ($500 per month)	$6,000
Custodial	Assumes $3 sq. ft. (9,108 sq. ft)	$27,324
Maintenance Repairs, Supplies, and Upkeep	Assumption.	$10,000
Telecommunications	Assumes $100 / month for phone and internet	$1,200
Program Supplies and Equipment	Assumed to capital upgrade costs and covered by space users.	$0
Insurance	Assumption	$10,000
Promotions and Marketing	Budget allocation for a program guide and other communications.	$1,000
	Expenditures	**$162,827**
	Net	**($107,907)**

Community Organization Operated Option – Preliminary Operating Budget

Revenues	Assumption	$
Room Rentals / Programming	20% of rental capacity assumed at an average of $20 / hour.	$49,920
Annual Drop-In Memberships	100 annual memberships at $50 / year.	$5,000
Sub-Lease Spaces (e.g. fitness, food services, child care)	If demand exists, assumed at net $0 to overall facility operations pending further exploration of demand, market conditions, and confirmation of permitted uses.	$0
Grants and Gaming Revenues	Unknown and may not be permitted for operational use.	$0
	Revenues	**$54,920**

Expenditures	Assumption	$
Facility Management and Administration	0.5 FTE @ $60,000 / year (assumes this position fulfills both an overall management function and schedules the facility).	$30,000
Staff Benefits	Staff costs at 18%	$5,400
Maintenance Staff	Contract or PT Staff	$40,000
RDN Staffing Support	Estimated allowance to account for RDN staff time allocated to capacity building and supporting operations. **May decrease over time as the not for profot operating entity gains capacity and internal expertis.*	$20,000
Program Delivery Staff and Costs	Expenditures assumed to be incurred by organizations renting the space.	$0
Bookeeping and Accounting	Contract or fee for service	$2,000
Electricity Costs	Annual use assumption based x $0.10 kWh (see energy assumptions)	$6,109
Heating Oil Costs	Annual use assumption x $50 GJ (see energy assumptions)	$10,050
Water and Septic	Assumption ($500 per month)	$6,000
Custodial	Assumes $1 sq. ft. (9,108 sq. ft). **Lower cost due to assumption of volunteer labour.*	$9,108
Maintenance Repairs, Supplies, and Upkeep	Assumption.	$10,000
Telecommunications	Assumes $100 / month for phone and internet	$1,200
Program Supplies and Equipment	Assumed to capital upgrade costs and covered by space users.	$0
Insurance	Assumption	$10,000
Promotions and Marketing	Budget allocation for a program guide and other communications.	$1,000
	Expenditures	**$150,867**
	Net	**($95,947)**

REGIONAL DISTRICT OF NANAIMO