



City of Richmond

Report to Committee

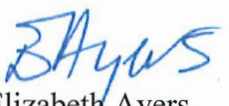
To: Parks, Recreation and Cultural Services Committee **Date:** August 29, 2019




From: Elizabeth Ayers, Director, Recreation and Sport Services **File:** 11-7000-10-01/2019-Vol 01

Re: Replacement of the Richmond Tennis Club Bubble

Staff Recommendation

That Council approve a grant of \$241,000 funded by the Council Community Initiative Account, to the Richmond Tennis Club, and that the expenditure be included in the Consolidated 5 Year Financial Plan (2020-2024), as outlined in the report titled, "Replacement of the Richmond Tennis Club Bubble," dated August 29, 2019, from the Director, Recreation and Sport Services.


 Elizabeth Ayers
 Director, Recreation and Sport Services
 (604-247-4669)

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Finance Department	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Project Development	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO 

Staff Report

Origin

At the June 10, 2019, Council meeting, the Richmond Tennis Club (the “Club”) presented a proposal to upgrade the Richmond Tennis Club facility on Minoru Park. Staff received the following referral:

That the proposal and supporting documents from the Richmond Tennis Club be referred to staff to be considered with the City Long Term Facility Plan.

The purpose of this report is to address this referral and provide funding options for Council’s consideration to assist in the replacement of the tennis bubble at the Richmond Tennis Club.

This report supports Council’s Strategic Plan 2018-2022 Strategy #4 An Active and Thriving Richmond:

An active and thriving community characterized by diverse social and wellness programs, services and spaces that foster health and well-being for all.

4.1 Robust, affordable, and accessible sport, recreation, wellness and social programs for people of all ages and abilities.

4.2 Ensure infrastructure meets changing community needs, current trends and best practices.

This report supports the following action from the Recreation and Sport Strategy 2019-2024:

Provide inclusive, safe and welcoming facilities and spaces for recreation and sport programs and services.

This report supports the following focus area from the City of Richmond Community Wellness Strategy 2018-2023:

Foster healthy, active and involved lifestyles for all Richmond residents with an emphasis on physical activity, healthy eating and mental wellness.

Background

The Richmond Tennis Club (the “Club”) was formed in the 1960’s and was incorporated as a not-for-profit society in 1975. To fulfill its mandate to promote and foster the sport of tennis in Richmond, the volunteer-driven Club operates a five-court tennis facility in Minoru Park. To facilitate year-round use, three of the five courts are covered by an air-supported bubble from October through March. The existing bubble is past its 20-year recommended life and is showing significant signs of deterioration and could fail at any time. Therefore, the club has initiated work to replace the bubble and is seeking financial support to complete the project.

Currently, the Club has 253 summer members and 257 winter members, with 90 per cent of these members are Richmond residents. The Club presently offers an annual membership which includes bubble-enclosed court usage for \$675 per year, and spring/summer outdoor membership from April to October for \$250 when the bubble is down. The Club also provides court rentals to the general public, which gives Richmond residents the opportunity to play tennis under the bubble during the fall and winter seasons.

The Club offers beginner, intermediate and advanced lessons to both Club members and the public. Along with seasonal lessons, the Club works with the Richmond School District No. 38 to support the various secondary schools' tennis clubs through court scheduling and discounted rates for students' usage of the Club's bubble.

The Club also hosts an Annual Richmond Open Tennis Tournament each spring. This year's tournament was the 57th year that the Club has hosted the annual 10-day tournament on Minoru Park.

In July of 2019, Council approved the renewal of the Club's License to Use Agreement for the clubhouse and five tennis courts on Minoru Park. The agreement outlines the Club's rights, obligations and responsibilities to operate a tennis club and complex and to promote the sport of tennis to residents of Richmond.

At the June 10, 2019, Council meeting, the Richmond Tennis Club presented a three-stage proposal which included:

- A. That the City of Richmond provide a grant to assist in the repair and resurfacing of five courts and the building of a modern three-court bubble with efficient lighting, heating and inflation system and storage sheds meeting Leadership in Energy and Environmental Design (LEED) standards.

Timeline: To be completed by October 2020.

Anticipated cost: \$542,000 (Club to provide \$177,000, BC Provincial Community Gaming Grants Branch \$177,000 and a City of Richmond Grant \$188,000).

- B. That the City of Richmond provide a grant or approve a long-term loan to add a separate two-court bubble to increase public access to indoor courts in Richmond.

Timeline: To be completed by October 2021.

Anticipated cost: \$490,000 (City of Richmond Grant or Loan).

- C. That the City of Richmond assists with the updating of the Clubhouse in keeping with other Minoru Park structures.

Timeline: To be determined.

Anticipated cost: To be determined.

Analysis

In response to the June 2019 referral, staff met with representatives of the Club to review the request. The Club has acquired a BC Provincial Community Gaming Grant of \$177,000 towards the acquisition and installation of a new three-court tennis bubble. This grant includes a stipulation that the project be initiated by October 2019, and completed by October 2021.

Staff and the Club agreed that the first step was to review the project scope and budget for the three-court bubble replacement. In response, the Club initiated the project by hiring a quantity surveyor, who confirmed the total project cost to replace the three-court, air-supported tennis bubble is \$595,000, which is slightly higher than the Club's preliminary estimate of \$542,000. The project cost includes:

- \$370,000 for the manufacture and delivery of a new three-court, air-supported tennis bubble structure; and
- \$225,000 for the execution and completion of the project, including design fees (architectural, mechanical and electrical), applicable permits, disposal of the old structure and systems, repairs and upgrades to the existing mechanical shed, repairs to the grade beam that anchors the bubble system, and labour to install the required mechanical and electrical support systems.

To continue to the next step of the project, ordering the new bubble structure, the Club requires confirmation that all funding sources equivalent to the entire project cost are in place. Otherwise, the Club is at risk of losing the grant funding they have secured.

In order to maintain service levels, keep the grant funding and avoid a loss in service should the bubble fail, Stage A of the Club's three-stage proposal is the first priority. The requests in Stages B and C, as outlined on the previous page, will be reviewed and prioritized with the Richmond Sports Council Facility Needs Assessment Review process.

Financial Analysis

Based on the quote provided, \$595,000 is required to replace the existing three-court tennis bubble. The Club has been saving for the replacement of the bubble for the past five years, and now has \$177,000 towards this project along with securing a matching grant of \$177,000 from the BC Provincial Community Gaming Grants Branch. The Club has requested a \$241,000 contribution from the City which would allow the project to be fully realized.

The Grant presents an opportunity for the Richmond Tennis Club and the City of Richmond to leverage \$177,000 of additional funding to upgrade a long valued and well attended sport amenity for Richmond residents. This new bubble will ensure that Richmond residents have the opportunity to continue playing tennis year-round in Richmond for the next 15 to 20 years.

Funding Options

Option 1 – Grant of \$241,000 provided (Recommended)

Council approve a grant of \$241,000 to the Richmond Tennis Club towards the three-court bubble replacement project, with funding to come from the Council Community Initiatives Fund.

Tennis is a valued sport in Richmond that contributes to the health and wellness of the Community. This option will ensure the ongoing operation of the Club and allows the Club to invest in other projects required to maintain their facility.

Option 2 – Loan of \$241,000 provided to the Club (Not Recommended)

Council could approve a loan to the Club of \$241,000, which would be provided at the City’s opportunity cost of investment which is three per cent. This rate would be renegotiated every five years over the duration of the loan. Repayment options for a five-year loan would be \$4,330.45 per month, \$2,327.11 per month for a 10-year term or \$1,664.30 per month for a 15-year term.

This would allow the prioritized Stage A project to proceed; however, it would make it very difficult for the Club to invest in other Club projects prior to the loan being repaid.

Financial Impact

The \$241,000 funding required by the Club to purchase and install the proposed three-court tennis bubble can be provided by the City of Richmond in the form of a grant or low interest loan to the Club. These funds can be drawn from the Council Community Initiative Fund (\$241,000) and the expenditure will be included in the Consolidated 5 Year Financial Plan (2020-2024).

Conclusion

For over 50 years, the Richmond Tennis Club has provided Richmond residents with the opportunity to be active and connected in their community. The continued provision of modern and well-maintained facilities that meet the current and future needs of residents is fundamental to achieving the City’s Recreation and Sport Strategy vision: for Richmond to be a leader in the planning and delivery of recreation and sport opportunities, inspiring individuals and communities to be active, connected and healthy for a lifetime.



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