

monitoring and managing risks and providing regular updates to Council and the public throughout the project timeline.

PURPOSE

This report seeks confirmation of the site for the new Crystal Pool and Wellness Centre and direction to proceed with the design and construction.

BACKGROUND

The plan for the Crystal Pool and Fitness Centre, built in 1971, has long been a focus of the City and Victoria's growing population. The aging building systems, significant accessibility barriers and high greenhouse gas emissions are among the primary concerns leading the City to pursue a replacement facility.

Following a 2017 feasibility study which considered renovating, expanding or replacing the facility, Council approved a plan to build a modern, accessible and energy-efficient facility in Central Park. In 2019, Council provided additional direction on the plan, emphasizing equity considerations and greenspace preservation and extending the timeline. The project was subsequently paused in early 2020 due to COVID-19.

In 2022, Council provided direction for staff to plan a referendum on funding and site selection. This decision was followed in 2023 with approval of a \$1.78 million budget for an updated feasibility study and cost estimates to reflect current market conditions. Following a June 2024 presentation to Council, staff were instructed to:

- Allocate \$47 million toward the project from the City reserves; and,
- To hold a referendum to seek voter assent on the question of borrowing up to \$168.9 million, as well as input on a preferred site (Central Park North or Central Park South).

The Crystal Pool referendum was held on February 8, 2025. A total of 58.71 per cent of voters supported borrowing the funds to complete the project, and 60.57 per cent selected Central Park North as the preferred location for the new facility. Of note, 21.18 per cent of registered voters cast ballots through this process.

ISSUES AND ANALYSIS

With the referendum complete, staff are preparing to advance the project to the next phase. The following sections summarize the project components, most of which have been captured within previous reports to Council. Given the scale and complexity of this project, additional details on the risk management strategies and the reporting framework are also described.

Program and Design

The concept design for both site options reflect the basis of design which was shaped by a comprehensive three-phase public engagement process from 2016-2018. Key features of design include:

- An 8,600 square metre building that is energy efficient, accessible, welcoming and accommodates a wide range of uses.

- An aquatic program and amenities featuring a 50-metre main pool tank with movable bulkhead, a leisure pool, shallow play area and 25-metre warm water lanes, two hot pools, a steam room, a sauna, a wet room for aquatic training and events, and an outdoor patio.
- A dryland program and amenities with four to five multi-purpose rooms accommodating a variety of activities, a fitness studio and a gymnasium.
- Approximately 100 vehicle parking and bicycle spaces.

Excerpts from the 2024 Crystal Pool and Wellness Centre Feasibility Study are attached to this report. This includes the Basis of Design (Appendix 1), the Central Park North Concept Design (Appendix 2), and the Central Park South Concept Design (Appendix 3).

Site Options

The two potential sites were assessed and compared on their quantitative and qualitative impacts and presented to Council in 2024. As noted above, the Central Park North location is more economical, takes less time to construct, and presents relatively lower risk than the Central Park South option. Although the latter would potentially allow service continuity during construction, it would also result in higher costs, a longer schedule and presents greater complexity. Table 1 provides a high-level comparison of the two site options.

Table 1 – Site Option Comparison

	Central Park North	Central Park South
Service Impact	<ul style="list-style-type: none"> • Interim dryland program to be offered at separate location during construction. 	<ul style="list-style-type: none"> • Best efforts to be made to maintain service continuity at existing facility during construction.
Project Cost	<p>Lower</p> <ul style="list-style-type: none"> • No cost premium as existing facility will be demolished at the start of construction. 	<p>Higher</p> <ul style="list-style-type: none"> • \$4.1M cost premium to extend the service life of the existing facility during construction.
Schedule	<p>Shorter</p> <ul style="list-style-type: none"> • Single phase construction. • Facility closure at start of construction. 	<p>Longer</p> <ul style="list-style-type: none"> • Two-phase construction. • Facility closure once the new building is constructed.
Complexity	<p>Less</p> <ul style="list-style-type: none"> • Lower impact to park amenities during construction. • Fewer trees removed, fewer trees at risk of removal. 	<p>More</p> <ul style="list-style-type: none"> • Management of both existing facility operation and new construction • Higher impact to park amenities during construction. • More trees to be removed, more trees at risk of being removed.

Budget

The Total Project Budget covers design, construction, equipment and commissioning, with allowances for construction market escalation. Developed in collaboration with two quantity surveyors and overseen by Turnbull Construction Project Managers, this budget assumes rigorous risk management measures. Final cost certainty will be achieved once design is complete, tenders

are awarded, and contracts are secured. The funding summary is shown in Table 2, and a detailed project budget is enclosed in the Financial Summary (Appendix 4).

Table 2: Total Project Budget Summary (millions)

Project Component	Central Park North	Central Park South
Total Project Budget	\$209.2	\$215.9
Funding from Debt Reduction Reserve	-\$30.0	-\$30.0
Funding from Parking Infrastructure Reserve	-\$17.0	-\$17.0
Net Cost Funded by Debt	\$162.2	\$168.9

Project Delivery

The Project Team will consist of a design consultant, a Project Manager (PM) and a Construction Manager (CM). The prime consultant, led by designers hcma architecture + design and supported by professional engineers, has been procured to serve throughout the project lifecycle.

The project will be delivered using the Construction Manager (CM) for Services and Construction Manager at Risk method. It is important to note, the CM is selected based on qualifications and experience with similar projects. The CM joins the team during the design phase, contributing insights on material selection, constructability, scheduling, cost estimation and value engineering, along with market advice. This delivery method, common for recreation facilities, fosters stakeholder collaboration through enhanced communication, accountability, decision-making and risk management.

Risk Management

The project team will remain focused on scope and schedule management, recognizing that effective decision-making and efficient use of time are critical to minimizing financial risk.

The City adopted a similar governance model for another recent major infrastructure initiative, the Firehall #1 project. The project team (including project leads, design consultants and subject matter experts) manage daily operations and report to a steering committee of senior City staff. This structure ensures proactive risk management and responsible use of contingencies. Staff follow the City’s Capital Cost Estimate and Project Management policies while employing an industry-standard risk management strategy throughout the project.

The City’s approach includes maintaining a detailed risk register and regular updates to both the steering committee and Council. Using qualitative and quantitative assessments, the project team identifies potential risks and allocates contingency funds only when needed. The budget tracking process documents all contingency allocations, ensuring transparency and accountability. In line with corporate standards, the project team and steering committee are empowered to manage the project within the approved budget. Should risks threaten to exceed allocated funds, staff will analyze available options and report to Council with recommendations.

The table below provides a summary of priority risks that the project team is currently monitoring along with mitigation measures.

Table 3 – Priority Project Risks

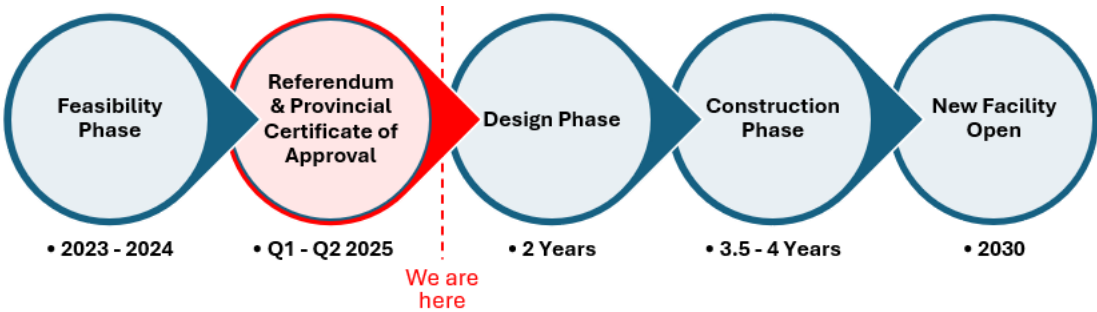
Issue	Potential Impact	Mitigation Strategy
Scope changes	Schedule Budget Performance	<ul style="list-style-type: none"> - Proceed with the referendum-approved design to maintain project momentum - Use a decision-making framework for major changes, including cost and schedule impact analyses
Supply chain uncertainty	Schedule Budget Performance	<ul style="list-style-type: none"> - Strategic procurements to secure materials early - Monitoring market conditions to anticipate shifts - Material substitutions for cost effective alternatives - Use contractual safeguards to manage impacts
Facility closure & transition to interim recreation service	Schedule Budget	<ul style="list-style-type: none"> - Early planning and communications - Work with regional partners to minimize impacts

Timeline and Reporting

Once the development site is selected and the borrowing bylaw is adopted, staff will apply to the Province of B.C. for a Certificate of Approval to confirm project funding. Following receipt of this certificate, the necessary resources to execute the design phase will be secured and the design phase will officially commence.

The various phases of the project are highlighted in the graphic below, noting that timelines are subject to change depending on Council direction.

Figure 1: Project Timeline



Project status updates will be provided on a quarterly basis. When Council decisions are required, they will be presented in Council meetings for direction, while informational updates will be shared directly with Council, published on the City’s website and shared with subscribers to the project newsletter. This approach supports the City’s focus on transparency, accountability and reporting efficiency throughout the project lifecycle.

OPTIONS & IMPACTS

Option 1: Proceed with Central Park North site and a budget of \$209.2 million (Recommended)

This option aligns with the recent referendum results and is recommended by staff as it minimizes construction costs and complexity. Under this option, the existing facility would be closed and demolished prior to the start of construction of the new facility. Additionally, this option minimizes impacts on park amenities and fewer trees would need to be removed. To mitigate the service disruption during the construction period, the project team will be establishing an interim plan to deliver dryland recreation programs in a separate location.

If approved, staff will advance the project to the design phase in accordance with the Basis of Design (Appendix 1) and the Central Park North Design Concept (Appendix 2).

Option 2: Proceed with Central Park South and a budget of \$215.9 million

Council may also consider directing staff to proceed with the Central Park South site. While the Central Park South option offers the potential for continued service at the existing facility during construction, this option is more complex. As noted above, this site requires a two-phase construction process, constructing the new facility and then demolishing the existing facility and constructing the underground parking and park amenities. This process extends the project timeline and contains greater overall risk.

Should Council select this option, staff will proceed with the design phase in accordance with the Basis of Design (Appendix 1) and the Central Park South Design Concept (Appendix 3).

Accessibility Impact Statement

This project supports the Accessibility Framework's goals to "provide all residents and visitors with equitable access to municipal programs and services" and to "systematically remove and prevent barriers in City-owned buildings and facilities." A primary goal of the new facility design is accessibility for all, pursuing the Rick Hansen Foundation's Accessibility Certification.

2023 – 2026 Strategic Plan

Replacement of the Crystal Pool facility is a priority noted in the Strategic Plan and Corporate Plan.

Impacts to Financial Plan

For 2025, the budget requirement for the Crystal Pool project is approximately \$1.8 to \$2 million depending on which site is selected, which will be funded by the Debt Reduction Reserve. No property tax impact is expected in 2025. For future years, borrowing requirements vary by site. In 2026, the Central Park North would require approximately \$15 million in borrowing, compared to about \$23 million for the Central Park South location.

Future property tax impacts associated with loan and reserve fund repayments, including the \$30 million Debt Servicing Reserve and the \$17 million Parking Reserve contributions, will be determined based on interest rates at the time of borrowing, any reductions in borrowing achieved through new revenue streams or grant funding and Council direction.

The 2017 Feasibility Study projected that increased facility usage would boost operating revenue by 35 to 38 per cent, with operating expenses estimated to rise by 25 to 50 per cent. While detailed operating budgets are still under development, preliminary estimates indicate that operating costs could rise by roughly \$1.3 to \$2 million annually. However, new revenue streams, such as updated programming fees, sponsorship opportunities and other revenues are expected to help offset these costs. Detailed operating budgets will be developed and incorporated into future financial plans as more accurate data becomes available. Staff will continue to explore additional revenue sources, including partnerships and eligible grants.

Official Community Plan Consistency Statement

- 14.7 Support innovation and reinvestment in community assets that attract investment and support economic activity, (...), including, arts, culture and recreation facilities, (...)
- 21.20.1 Renew citywide recreational facilities at Crystal Pool ...

CONCLUSION

This report marks a milestone in one of the City's largest infrastructure projects, with the confirmation of the site of the new Crystal Pool and Wellness Centre. As a strategic priority, this project supports the City's efforts to manage community assets and meet the evolving needs of a growing community with important social, health and wellness services.

Respectfully submitted,

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Manager, Major Capital Projects

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Report accepted and recommended by the City Manager

List of Attachments

Appendix 1 – Basis of Design
Appendix 2 – Central Park North Design Concept
Appendix 3 – Central Park South Design Concept
Appendix 4 – Financial Summary