

# KTC Capital Project Options for Discussion & Voting

November 14, 2017

## Timeline of Events

**November 2012** – motion presented at a Special Meeting of members:

Demolish the existing clubhouse structure in order to construct an additional tennis court between Court 1 and Court 7; the new clubhouse is to be built within the space currently occupied by the front lawn adjacent to Court 3.

Motion carried: 90 in favour, 20 opposed, 1 abstention

**July 2015** – lighting levels on Courts 4, 5 & 6 measured by electrician and deemed to be adequate. Tree branches on west side of Court 6 trimmed back to reduce physical interference with lighting.

**November 2015** - detailed plan presented at a Special Meeting attended by 65-75 members at a project cost of **\$1,548,547**. The vote passed to approve the project by a slim margin. Results were deemed too close to proceed with the scope of the project as defined at that time and the Board subsequently reduced the planned size of the clubhouse and evaluated several options for court improvements and lighting.

[ the plan was to demolish the clubhouse; construct an accessible two-storey clubhouse adjacent to the street (4,000 square feet); build an eighth court; paint four existing courts and one new court; install lighting on Courts 2 & 3; replace limited fencing ]

**May 2016** - survey of the 2015 membership completed by 241 members, representing a 54.4% response rate. Members indicate that quality of courts, lighting, and a new clubhouse are important. The survey results show member preferences\* to:

- Include lights on Courts 2 & 3 (3.39 weighted average)
- Build a new, smaller-than-4,000-square-foot clubhouse, with an eighth court (3.36 weighted average)
- Upgrade lights on Courts 4, 5, 6 (3.08 weighted average)
- Renovate existing clubhouse (2.70 weighted average)
- Other survey results indicate the importance of high quality courts & the Napier Street location of the Club to the membership

**July 2016** - the Board received notice that the Club was eligible to apply for an Ontario150 capital grant, worth up to \$250,000 towards infrastructure upgrades. If awarded, work had to be completed by March 31, 2018. It was decided to apply for the grant and to move forward with a revised capital project that places less emphasis on the size of the clubhouse and assigns more financial resources to court improvements.

[ demolish the clubhouse; construct an accessible one-storey clubhouse adjacent to the street (2,175 square feet); build an eighth court; remove concrete slabs below three courts & rebuild four existing courts; install lighting on Courts 2 & 3; replace fencing; replace hitting wall ]

**September 2016** – a grant application was submitted for an Ontario 150 Capital Grant of \$250,000. It was unsuccessful.

**October 2016** – motion presented at the 2016 AGM:

There must be a vote with a 55% majority of votes cast establishing membership approval before any financial commitment is made on the capital project.

Motion carried: 26 in favour, 11 opposed, 1 abstention

**February-April 2017** – Queen’s geophysics students investigate the Club’s site as part of a class project using ground penetrating radar (GPR), specifically focusing on the concrete pads of original court construction. Results are inconclusive.

**July 2017** – the Board approves a motion to select Bill Anglin of the Anglin Group to be the general contractor/project manager for the capital project

**October 2017** – the Board approves the presentation of four project options to the membership at the 2017 AGM to determine level of financial comfort for the capital project. Construction will ideally begin in the fall of 2018. Two motions are approved to encourage bequests to the Club and to establish a fundraising campaign. The Board approves the painting of Courts 4, 5 & 6 in the spring of 2018 at a cost of \$12,999.

\* The results of the membership survey are a guide as to what is important to members. There is further information that the Board is responsible for considering, such as the importance of the junior camps (to the future of tennis in Kingston by creating new players and encouraging Family memberships, and the direct revenue that the camps contribute) and providing a safe and comfortable environment for staff, campers, and members. The Board makes decisions that balance the use of the facilities among private games, lessons, socials, tournaments, junior camps, and community use. Together, these uses all contribute to the growth of tennis as a sport and the ongoing role of the Club as a non-profit community centre for people of all ages.

## **Preliminary Budget Options for the Purpose of Financial Discussion**

Conservative preliminary budget estimates were provided by Bill Anglin for the capital project and are based on past project costing for similar types of work. They are current as of October, 2017 and a 2% inflation factor should be allowed since work will not start for at least one year. All options include a 12% contingency and project management cost allocations based on share of overall project cost.

We may establish a cut off date leading up to the fall of 2018 with our project manager in order to modify the project scope, based on available funds. During construction, the project manager will closely monitor costs to ensure that the budget is adhered to, making adjustments as required.

Option #1 represents the ideal capital project and is budgeted to cost **\$1,366,593**. This option, when combined with the painting of Courts 4, 5 & 6 in 2018, includes the refurbishment of all courts, expansion of court facilities, and replacement of the Club's aged clubhouse in a timely manner. All infrastructure will be in new or reasonable condition and routine court maintenance will not be required for at least five years. Having all the work done at once maximizes economies of scale for contractors and the project manager, resulting in a lower project cost than splitting the work over multiple phases.

Option #2 covers the situation whereby funding levels necessitate that we split the project into two phases. A possible course of action is to proceed in the fall of 2018 with demolishing the old clubhouse, building a new clubhouse, rebuilding Courts 2 & 3 and installing lighting. This first phase is budgeted to cost **\$1,150,142**. The remaining work costing at least **\$216,451** would be postponed as a second phase to be done at a future date to be determined by fund availability. We lose economies of scale but it enables the Club to proceed with the majority of the project in a timely manner.

Option #3 reflects an emphasis on court work at a cost of **\$750,141**. It involves demolishing the current clubhouse and using a portable structure while amassing funds to construct a new clubhouse. This option represents the refurbishment of all courts and the expansion of court facilities, but leaves the Club without a clubhouse for at least two years. There is the expense of renting temporary facilities at approximately \$10,000 per year until the clubhouse is rebuilt. The remaining work to construct a new clubhouse would cost approximately **\$638,132** to be done at a future date to be determined by fund availability.

Option #4 is the least expensive. It rebuilds Courts 2 & 3 and installs lighting at a cost of **\$282,434**. The old clubhouse remains in place, awaiting replacement sometime in the future. There are ongoing costs to maintain the aged clubhouse (for example, the roof and deck have already deteriorated) with a potentially negative effect on operations, such as the junior camps and office activities, caused by the unknowns of an old building. This option postpones major upgrades into the future where construction costs and interest rates are projected to continue to rise.

### **Option #1 – Clubhouse & Court Lighting & Build/Rebuild Of 5 Courts**

Budgeted Cost: \$1,366,593

Demolish Clubhouse; Build New Clubhouse; Build Eighth Court; Rebuild Courts 1, 2, 3, & 7; Install lights on Courts 2 & 3

#### **Details**

Demolition of existing clubhouse;

Construction of one-storey 2,175 square foot clubhouse fronting on Napier Street;

Installation of lights on Courts 2 & 3;

Rebuilding of Courts 2 & 3, removing the existing concrete pads below the two courts;

Construction of eighth court and rebuilding of Courts 1 & 7, removing the existing concrete pads below Court 1;

Replace fencing on 2/3 of the property;

Replace hitting wall

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### **Option #2 – Clubhouse & Court Lighting & Rebuild Of 2 Courts**

Budgeted Cost: \$1,150,142

Demolish Clubhouse; Build New Clubhouse; Rebuild Courts 2 & 3; Install lights on Courts 2 & 3

#### **Details**

Demolition of existing clubhouse;

Construction of one-storey 2,175 square foot clubhouse fronting on Napier Street;

Installation of lights on Courts 2 & 3;

Rebuilding of Courts 2 & 3, removing the existing concrete pads below the two courts;

Replace some fencing;

Requires a second phase at a later date to construct an eighth court on the now-vacant land; rebuild Courts 1 & 7, removing the existing concrete pads below Court 1; replace fencing as applicable; replace hitting wall. **Second phase (balance of Option #1): \$216,451**

Note: Actual total costs will be higher than Option 1 for two phases due to increased project management costs, loss of economies of scale, and increased construction costs over time.

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### **Option #3 – Court Lighting & Build/Rebuild Of 5 Courts**

Budgeted Cost: \$750,141

Demolish Clubhouse; Build Eighth Court; Rebuild Courts 1, 2, 3, & 7; Install lights on Courts 2 & 3

#### **Details**

Installation of temporary portable structure and port-a-potty(s) on the lawn, to be used until a new clubhouse is built after approximately two years;

Installation of lights on Courts 2 & 3;  
Rebuilding of Courts 2 & 3, removing the existing concrete pads below the two courts;  
Construction of eighth court and rebuilding of Courts 1 & 7, removing the existing concrete pads below Court 1;  
Replace fencing on 2/3 of the property;  
Replace hitting wall

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**Option #4 – Court Lighting & Rebuild Of 2 Courts**

Budgeted Cost: \$282,434

Rebuild Courts 2 & 3; Install lights on Courts 2 & 3

**Details**

Leave existing clubhouse in current location (to be demolished and replaced at some point in the future);

Remove concrete pads underneath Courts 2 & 3 as part of the rebuilding process;

Install court lights on two additional courts;

Replace some fencing