

Grand River Conservation Authority

Report number: GM-12-23-98

Date: December 8, 2023

To: Members of the Grand River Conservation Authority

Subject: New Guelph Lake Nature Centre Update

Recommendation:

THAT Report GM-12-23-98 – New Guelph Lake Nature Centre Update be received as information.

Summary:

At the October 2023 General Membership meeting, an update on the new Guelph Lake Nature Centre (GLNC) was provided and the recommendation to proceed with tendering the construction of the nature centre and report back to the General Membership for construction award approval was approved.

Since then, staff have worked with +VG Architects and have received a Site Plan Agreement and a building permit from the Township of Guelph Eramosa. The Grand River Conservation Authority (GRCA) will be advising the prequalified contractors of the upcoming tender release.

The Grand River Conservation Foundation (GRCF) has been fundraising for this project for several years and the GRCA has reworked the design to reduce anticipated construction costs. If there are not sufficient funds to build the new GLNC at the time of tender award, staff are proposing that the GRCA Board consider funding the shortfall from a GRCA-controlled reserve with the understanding that the reserve be repaid. This repayment could be achieved by the GRCF continuing to fundraise for the funding shortfall and following up about outstanding pledges. This report seeks to highlight how a funding shortfall might be addressed to prevent further delays that may prevent this project from proceeding.

Report:

Staff completed a review of the GRCA Outdoor Environmental Education Program, which was driven by the new regulations being implemented under the Conservation Authorities Act, as well as changes to the program brought on by the pandemic. Beginning January 2024, the Outdoor Environmental Education Program will be a Category 3 program. Prior Board direction was that Category 3 programs would be collectively self-funded, and that in the case of the Outdoor Environmental Education Program, the Transition Reserve be used for a period of time while a new business model was implemented to help transition the program to operate on a break-even basis.

Currently, the program is projected to have an annual funding shortfall of approximately \$300,000 in operating expenses. As part of the program review, site condition assessments were conducted for the nature centres, except for the Guelph Lake Nature Centre, since the GRCA has committed to constructing a new building within the Guelph Lake Conservation Area. Based on the site condition assessments for the four remaining nature centres, an average capital maintenance deficit of approximately \$275,000 per year is also anticipated. This estimate does not include future capital and preventative maintenance costs that will be required at the new Guelph Lake Nature Centre.

At the November 2023 General Membership Meeting, the Board received and referred the Outdoor Environmental Education Program Review report to staff for further consideration, with

additional information to be provided no later than September 2024. Even prior to the program review, as reported to the General Membership in 2021, it became evident that the new Guelph Lake Nature Centre needed to be redesigned from earlier more expansive versions of the building to better align with the anticipated future operating budget and needs of the program.

Through the redesign, construction costs were decreased by reducing the building footprint, which includes the reduction of two classrooms. Two additional covered learning spaces may need to be considered as part of future fundraising efforts and completed as stand-alone projects. Donor gift agreements have been considered and further discussions with the GRCF and respective donors will need to continue through subsequent phases to ensure donors are recognized for their generous contributions to this project.

This report seeks to highlight how a funding shortfall might be addressed to prevent further delays that may prevent this project from proceeding. Namely, to use GRCA reserves to cover costs that exceed donated funds. The potential need to use reserves is contingent on gaining cost information through the tender process.

Financial Implications:

The remaining new GLNC project costs include the construction of the new GLNC, consulting fees, security infrastructure, furniture, equipment, and a donor recognition installation. At this time the remaining project costs are estimates, however, the cost for construction of the new GLNC will be known after the tender. If the GRCF has insufficient funds at the time of the tender award, the GRCA Board can consider funding the shortfall from a GRCA controlled reserve with the understanding that the reserve be repaid. This repayment could be achieved by the GRCF continuing to fundraise for the funding shortfall and following up about outstanding pledges.

Other Department Considerations:

This project has involved staff from many different departments at the GRCA and the GRCF Board of Directors has done considerable work fundraising for this project.

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