

10.3.2

From: Brian Posavad
Sent: Tuesday, January 23, 2018 6:13 PM

Subject: Opportunity to present to Council

Dear Deputy Mayor Mason,

The YMCA would like the opportunity to come before council to discuss the new John W. Lindsay YMCA, our valuable partnership and make a request for funding.

This is an exciting time for the YMCA of Greater Halifax/Dartmouth as we prepare to open this new community facility in fall 2019. Our new YMCA will have significant impact on our community. The facility is not only critical to the YMCA's service delivery model, but an integral part of the recreation service delivery system for the Halifax peninsula. The YMCA as a not for profit charitable organization, is the only recreation provider that guarantees access to all regardless of their economic circumstance.

7 years ago the facility was budgeted at \$31M and the YMCA has successfully raised \$27M to date and secured \$4M in financing to build this sustainable, much needed full service YMCA facility. However, like many of the projects going up in Halifax today, the YMCA is experiencing a budgetary challenge based on the current economics.

Over the last 7 years the budgeted costs have risen by slightly less than 20% or \$6M to a projected cost of \$37M. Although thorough value engineer has been rigorously applied to the project, the scope of the facility remains unchanged.

Key contributing factors to the \$6M increase in costs from 2011 include:

- 7 years of cost escalation from initial budget (approx. 2-3% per year)
- Currency fluctuation – with most of our equipment from the US and a growing imbalance between our two currencies from our original budget
- Halifax construction projects are experiencing less competitive bids based on the availability of contractors and construction materials

The YMCA has already taken measures to combat these increases, including adding \$3M of debt financing to the project and is going out to the community to raise an additional \$1.5M in our capital campaign.

Our request of you (the city) is to provide \$1.5M in funding to support the completion of this important project. These funds added to those already raised will allow the YMCA to deliver the many programs and services required for the most vulnerable in our community.

We appreciate you giving serious and timely consideration to this request. Your support will help ensure no one is denied access to a healthy lifestyle due to an inability to pay and we look forward to an opportunity to appear before Council to provide an update on the project and its benefits to the Halifax community.

Best regards,

Brian Posavad