



# INFORMATION REPORT

<b>TO:</b> Mayor and Members General Issues Committee	<b>WARD(S) AFFECTED:</b> CITY WIDE
<b>COMMITTEE DATE:</b> October 11, 2011	
<b>SUBJECT/REPORT NO:</b> International Event Opportunities - 2015 Pan Am Games Velodrome Business Plan (CM10005(d)) (City Wide)	
<b>SUBMITTED BY:</b> Chris Murray City Manager	<b>PREPARED BY:</b> Art Zuidema 905-546-2424 ext.5639 Lisa Zinkewich 905-546-2424 ext. 2297
<b>SIGNATURE:</b>	

## Council Direction:

At the September 13, 2011 General Issues Committee, staff were asked to report back to Council with an update on progress made in regard to the Pan Am Velodrome project and existing funding gap. Information Report CM10005(d) is meant to provide this update.

## Information:

The Request for Proposal (RFP) issued by Toronto 2015 and Infrastructure Ontario on September 22, 2011 includes the stadium and proposed Velodrome in Hamilton, as well as the stadium at York University. Although the RFP has been released, given the current funding issues surrounding the Velodrome, the exact location of this venue was not noted. It is anticipated that the Velodrome location will be noted in an addendum following today's Hamilton City Council decision.

## Update on the Investigation of Flexible Options Regarding the Funding Shortfall

As directed by Council, staff are looking into the establishment of a "Campaign Cabinet" to work with outside individuals/organizations to develop a process to enable fundraising through private sector and public donations which will support the development and operations of the Velodrome. Mohawk College is prepared to support this fund raising cabinet, once established, by contributing expertise and a vehicle for collecting contributions. Mark Chamberlain of Trivaris, has agreed to be the "Campaign Cabinet" Chair.

**SUBJECT: International Event Opportunities - 2015 Pan Am Games Velodrome  
Business Plan (CM10005(d)) (City Wide) - Page 2 of 2**

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To date, staff are not aware of any significant external interest in or commitments to provide additional funding and/or donations in support of the development and operations of the Velodrome.

**Financial**

There are no updates in regard to the Financial capital costs or operating costs to provide at this time. The summary of the costs are detailed in both staff report CM10005(b) and CM10005(c) and are considered to be up-to-date. Since no additional financial contributions have been identified, the funding gap for the Velodrome remains at \$13 million to \$17.3 million.

In addition, if Council chooses to contribute more to the Velodrome, every \$5 million in debt financing would cost \$480,000 in annual debt charges and represent about a 0.1% or \$2.80 impact on property taxes for the average residential property.

Debt financing the entire funding shortfall i.e. \$13 million to \$17.3 million would have a residential tax impact of 0.19% or \$5.23 to 0.25% or \$6.97 per household.

Mohawk College was approached regarding the possibility of increasing their capital contribution to the Velodrome by \$2 million (for a total of \$4 million). At this point Mohawk is not in a position to contribute additional funds towards the construction of the Velodrome nor assume responsibility for its construction or operation.

**Update on Discussions with Toronto 2015 and Infrastructure Ontario**

At the time of the writing of this report, staff have not received an update from Toronto 2015. We anticipate an update from Ian Troop, CEO of Toronto 2015, will be available when this report is received.

**Update on the Proposed Partnership with Mohawk College**

Subsequent to the September 13, 2011 General Issues Committee meeting information report (CM10005(c)), City staff have met with Mohawk College to work on draft terms of a Memorandum of Understanding (MOU) for the use and operation of the Velodrome (Appendix A to Report CM10005(d)) and draft terms of a lease agreement. (Appendix B to Report CM10005(d)). The documents provide a summary of the work completed to date. A few issues are still outstanding and both parties are committed to meet over the next three to four weeks to resolve any outstanding issues. Final documents would subsequently be provided to Council for approval.

**Update on the Partnership with the Canadian Cycling Association**

There are no updates in regards to the partnership between the City of Hamilton and the Canadian Cycling Association at this time.

AZ/lz

Attach. (2)

Mohawk College / City of Hamilton Velodrome / Recreation Centre  
 Draft Heads of terms for MOU – Revised September 30, 2011

**Note: The following draft Heads of terms for the MOU between the two parties are still in draft form and require further discussion and agreement between both parties before a final document can be approved by Council and Mohawk College.**

	Heading	Mohawk Position	City Position	ISSUES
1.	<b>Preamble and Objectives</b>	<ul style="list-style-type: none"> <li>• Facility with national recognition</li> <li>• Improved facilities for college</li> <li>• Reduced cost for college</li> <li>• Learning / employment opportunities for students</li> <li>• Showcase Mohawk’s Community and sustainability objectives</li> <li>• Velodrome and Mohawk Recreation Centre (“MRC”) to be designed, built and operated as two separate buildings, with secure access between the buildings. Each building to have stand-alone systems for HVAC, life safety, security, etc.</li> <li>• City and Mohawk agree to undertaken, where ever reasonably possible, to take advantage of design, construction, and operating synergies and efficiencies.</li> </ul>	<ul style="list-style-type: none"> <li>• Facility with national recognition</li> <li>• Expands range of facilities within City</li> <li>• Reduced cost for City</li> <li>• Learning and development of cycling opportunities to enhance health and wellness in the community</li> <li>• Enhances City’s community engagement and sustainability objectives</li> <li>• Velodrome and Mohawk Recreation Centre (“MRC”) to be designed, built and operated as two separate buildings, with secure access between the buildings. Each building to have stand-alone systems for HVAC, life safety, security, etc.</li> <li>• City and Mohawk agree to undertaken, where ever reasonably possible, to take advantage of design, construction, and operating synergies and efficiencies.</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>
2.	<b>Facility Description and Program</b>	<ul style="list-style-type: none"> <li>• Velodrome infield to be outfitted with 3 gymnasiums, to accommodate 500 people for events on the floor</li> <li>• Layout to incorporate an east and</li> </ul>	<ul style="list-style-type: none"> <li>• Velodrome infield to be outfitted with 3 gymnasiums, to accommodate 500 people for events on the floor</li> <li>• Layout to incorporate an east and</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>

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		<p>west endzone. West endzone to be used for cycling; east endzone to be used for court recreation equipment storage.</p> <ul style="list-style-type: none"> <li>• Infield floor designed for recreational sports use.</li> <li>• A system of curtains and drapes to be used to safely separate the cycling track from the infield.</li> <li>• LEED Certified</li> <li>• Meet Hamilton’s Barrier Free standards</li> <li>• Velodrome’s upper level seating concourse may be used as a walking concourse when there are no conflicts with use of infield or cycling track</li> <li>• Parking</li> </ul>	<p>west endzone. West endzone to be used for cycling; east endzone to be used for court recreation equipment storage.</p> <ul style="list-style-type: none"> <li>• Infield floor designed for recreational sports use.</li> <li>• A system of curtains and drapes to be used to safely separate the cycling track from the infield.</li> <li>• LEED Certified</li> <li>• Meet Hamilton’s Barrier Free standards</li> <li>• Velodrome’s upper level seating concourse may be used as a walking concourse when there are no conflicts with use of infield or cycling track</li> <li>• Parking</li> </ul>	
3.	<b>Use of Facility</b>	<ul style="list-style-type: none"> <li>• Velodrome infield gymnasiums to be used for Mohawk varsity sport practices and student recreational activities.</li> <li>• Recreational and sport activities may include: <ul style="list-style-type: none"> <li>• basketball</li> <li>• volleyball</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Velodrome infield gymnasiums to be used for Mohawk varsity sport practices and student recreational activities.</li> <li>• Recreational and sport activities may include: <ul style="list-style-type: none"> <li>• basketball</li> <li>• volleyball</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>○ None</li> </ul>

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		<ul style="list-style-type: none"> <li>• badminton</li> <li>• gymnastics</li> <li>• tennis</li> <li>• floor hockey</li> <li>• indoor soccer</li> <li>• lacrosse and other sports from time to time with agreement of the parties</li> </ul> <ul style="list-style-type: none"> <li>• Safety of participants on the cycling track and on the infield is the over arching guiding principal for the type of activities and use of the infield</li> </ul>	<ul style="list-style-type: none"> <li>• badminton</li> <li>• gymnastics</li> <li>• tennis</li> <li>• floor hockey</li> <li>• indoor soccer</li> <li>• lacrosse</li> <li>• and other sports from time to time with agreement of the parties</li> </ul> <ul style="list-style-type: none"> <li>• Safety of participants on the cycling track and on the infield is the over arching guiding principal for the type of activities and use of the infield</li> </ul>	
4.	<b>Hours of Operation</b>	<ul style="list-style-type: none"> <li>• Velodrome and MRC may operate according to different schedules.</li> <li>• Proposed hours of operation (subject to change): <ul style="list-style-type: none"> <li>• Prime Time Season: August 15 through April 30: <ul style="list-style-type: none"> <li>• 6:00am to 12:00 midnight Monday through Thursday</li> <li>• 6:00am to 10:00pm Friday</li> <li>• 8:30am to 10:00pm Saturday and Sunday</li> <li>• Facility closed on Statutory Holidays</li> </ul> </li> <li>• Non-Prime Time Season: May 1 through August 14: <ul style="list-style-type: none"> <li>• 8:00am to 8:00pm Monday through Friday</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Velodrome and MRC may operate according to different schedules.</li> <li>• Proposed hours of operation (subject to change): <ul style="list-style-type: none"> <li>• Prime Time Season: August 15 through April 30: <ul style="list-style-type: none"> <li>• 6:00am to 12:00 midnight Monday through Thursday</li> <li>• 6:00am to 10:00pm Friday</li> <li>• 8:30am to 10:00pm Saturday and Sunday</li> <li>• Facility closed on Statutory Holidays</li> </ul> </li> <li>• Non-Prime Time Season: May 1 through August 14: <ul style="list-style-type: none"> <li>• 8:00am to 8:00pm Monday through Friday</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>

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		<ul style="list-style-type: none"> <li>• 8:00am to 6:00pm Saturday and Sunday</li> <li>• Facility closed on Statutory Holidays</li> <li>• Operations Committee may from time to time, agree to change the operating hours due to utilization. Hours may be adjusted annually. The Committee, in making any such change, recognizes that any change in service may require additional cost or service modification.</li> </ul>	<ul style="list-style-type: none"> <li>• 8:00am to 6:00pm Saturday and Sunday</li> <li>• Facility closed on Statutory Holidays</li> <li>• Operations Committee may from time to time, agree to change the operating hours due to utilization. Hours may be adjusted annually. The Committee, in making any such change, recognizes that any change in service may require additional cost or service modification.</li> </ul>	
5.	<b>Exclusive Use</b>	<ul style="list-style-type: none"> <li>• Mohawk provided with priority use of 3 Velodrome Infield gymnasiums during hours of operation with the exception of 10:00am to 11:30am each day when Mohawk would have no use of the Velodrome facility.</li> <li>• City provided with exclusive use of Velodrome Infield gymnasiums from 10:00am to 10:30am each day.</li> <li>• Recreational cyclists and the general public would not have access to the MRC</li> </ul>	<ul style="list-style-type: none"> <li>• Mohawk provided with priority use of 3 Velodrome Infield gymnasiums during hours of operation with the exception of 10:00am to 11:30am each day when Mohawk would have no use of the Velodrome facility.</li> <li>• City provided with exclusive use of Velodrome Infield gymnasiums from 10:00am to 11:30am each day.</li> <li>• Recreational cyclists and the general public would not have access to the MRC</li> <li>• City shall have, subject to an agreed upon schedule, access to an infield court(s) during Mohawk's non prime time periods <b>and unused Mohawk prime time use when available.</b></li> </ul>	<ul style="list-style-type: none"> <li>• None</li> <li>• None</li> </ul> <p>Under further discussion</p>

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<p>6.</p>	<p><b>Event Programming</b></p>	<p><u>Definition</u></p> <ul style="list-style-type: none"> <li>• Defined as any sporting competition or assembly which attracts multiple attendees, competitors or spectators. Events have exclusive use of all areas of the Velodrome. Events could be held over one or more days and could be international, national, provincial, regional or community cycling events. An event day is the building operating hours.</li> </ul> <p><u>Priority Access</u></p> <ul style="list-style-type: none"> <li>• First: The City is provided with the right to program up to 20 cycling event days primarily on weekends per year for competitions and events and 10 one-weekend day events per year for community events.</li> <li>• Half of the above referenced events shall not be scheduled during the Mohawk prime period</li> <li>• Second: Mohawk is provided with the right to program up to 20 weeknight or weekend day events in the gymnasiums per year for Mohawk College assemblies, etc.</li> <li>• Cycling events shall not be more than</li> </ul>	<p><u>Definition</u></p> <ul style="list-style-type: none"> <li>• Defined as any sporting competition or assembly which attracts multiple attendees, competitors or spectators. Events have exclusive use of all areas of the Velodrome. Events could be held over one or more days and could be international, national, provincial, regional or community cycling events. An event day is the building operating hours.</li> </ul> <p><u>Priority Access</u></p> <ul style="list-style-type: none"> <li>• First: The City is provided with the right to program up to 20 cycling event days primarily on weekends per year for competitions and events and ten one-weekend day events per year for community events.</li> <li>• Second: Mohawk is provided with the right to program up to 20 weeknight or weekend day events in the gymnasiums per year for Mohawk College assemblies, etc.</li> <li>• Cycling events shall not be more than</li> </ul>	<ul style="list-style-type: none"> <li>• Issue related to limitation of no more than 15 event days during the Prime Time Season. This is difficult for the city as community, provincial and national events are important to the velodrome's success.</li> </ul>
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		<p>3 days in successive duration.</p> <p><u>Use Protocols</u></p> <ul style="list-style-type: none"> <li>The City and Mohawk to develop protocols respecting the use of the Velodrome facilities.</li> </ul> <p><u>Programming Protocols</u></p> <ul style="list-style-type: none"> <li>The City, Mohawk and the Canadian Cycling Association (“CCA”) shall meet annually to reserve and schedule event dates for the coming 12-month period.</li> <li>The City and Mohawk agree to act in the best interest of the City if proposed events are projected to provide a major benefit to the City of Hamilton (i.e., tourism, economic development and impact, etc.).</li> </ul>	<p>3 days in successive duration.</p> <p><u>Use Protocols</u></p> <ul style="list-style-type: none"> <li>The City and Mohawk to develop protocols respecting the use of the Velodrome facilities.</li> </ul> <p><u>Programming Protocols</u></p> <ul style="list-style-type: none"> <li>The City, Mohawk and the Canadian Cycling Association (“CCA”) shall meet annually to reserve and schedule event dates for the coming 12-month period.</li> <li>The City and Mohawk agree to act in the best interest of the City and Mohawk if proposed events are projected to provide a major benefit to the City of Hamilton (i.e., tourism, education, economic development and impact, etc.) and Mohawk College students..</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>
7.	<p><b>Responsibilities</b></p> <ul style="list-style-type: none"> <li>Operations</li> </ul>	<ul style="list-style-type: none"> <li>City, City and Mohawk to establish an operations and oversight committee to be comprised of two (2)members of the City, two members (2) from Mohawk and one member from the CCA.</li> <li>Committee to report annually to President of Mohawk and COO of City</li> </ul>	<ul style="list-style-type: none"> <li>City, City and Mohawk to establish an operations and oversight committee to be comprised of three (3)members of the City, two (2) members from Mohawk and one (1)member from the CCA.</li> <li>Committee to report annually to President of Mohawk and COO of City</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>



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	<ul style="list-style-type: none"> <li>Major Capital Maintenance Reserve</li> <li>Operations</li> <li>Operating Costs</li> </ul>	<p>and at any time when there are disputes</p> <ul style="list-style-type: none"> <li>City, Mohawk and CCA to meet regularly to review scheduling of events and begin the process of reserving future event dates.</li> <li>Facility to annually set aside an amount equal to a minimum of 1.5% of the hard construction cost of the building into a major capital maintenance reserve fund for future major capital maintenance obligations.</li> <li>Major capital maintenance fund to be established from contributions made from (a) the Pan Am Games Legacy Fund and (b) the City.</li> <li>If each of the Velodrome and MRC are operated by a third party, the City and Mohawk agree to consider engaging the same third party to operate both facilities.</li> <li>The City will be responsible for the staffing and day-to-day operations, maintenance, upkeep, cleaning, security and heating / air conditioning, etc. of the Velodrome.</li> <li>Operating costs will be paid for out of</li> </ul>	<p>and at any time when there are disputes</p> <ul style="list-style-type: none"> <li>City, Mohawk and CCA to meet regularly to review scheduling of events and begin the process of reserving future event dates.</li> <li>Facility to annually set aside an amount equal to a minimum of 1.5% of the hard construction cost of the building into a major capital maintenance reserve fund for future major capital maintenance obligations.</li> <li>Major capital maintenance fund to be established from contributions made from (a) the Pan Am Games Legacy Fund, (b) the City, and (c) Mohawk</li> <li>If each of the Velodrome and MRC are operated by a third party, the City and Mohawk agree to consider engaging the same third party to operate both facilities.</li> <li>The City will be responsible for the staffing and day-to-day operations, maintenance, upkeep, cleaning, security and heating / air conditioning, etc. of the Velodrome.</li> <li>Operating costs will be paid for out of</li> </ul>	<ul style="list-style-type: none"> <li>Issue re contribution from Mohawk to major capital maintenance reserve fund</li> <li>Issue</li> <li>None</li> <li>None</li> </ul>
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	<ul style="list-style-type: none"> <li>• Deficit Allocations</li> <li>• Facility Use Payments</li> <li>• Legacy Funding</li> </ul>	<p>facility operating revenues generated from (a) CCA use payments, (b) Mohawk use payments, (c) City programming revenue, (d) ancillary revenues generated from advertising, sponsorships, concessions, vending, etc., and (e) where such revenues are insufficient to cover such costs, from municipal budget allocations.</p> <ul style="list-style-type: none"> <li>• As above</li> <li>• Mohawk, CCA, Community groups and the general public to pay the City/Operator an access fee based on velodrome rates established by the City/Operator and approved by City Council.</li> <li>• Legacy Funding will be used to offset any operating deficit before any city funding is considered</li> <li>• All revenues from concessions, advertising and sponsorships earned by or for the Velodrome form part of the Velodrome's operating revenue.</li> <li>• All revenue secured from the sale of venue naming rights, sponsorships and advertising form part of the Velodrome's operating revenue, and agreed upon term in advance.</li> </ul>	<p>facility operating revenues generated from (a) CCA use payments, (b) Mohawk use payments, (c) City programming revenue, (d) ancillary revenues generated from advertising, sponsorships, concessions, vending, etc., and (e) where such revenues are insufficient to cover such costs, from municipal budget allocations.</p> <ul style="list-style-type: none"> <li>• As above</li> <li>• Mohawk, CCA, Community groups and the general public to pay the City/Operator an access fee based on velodrome rates established by the City/Operator and approved by City Council.</li> <li>• Legacy Funding will be used to offset any operating deficit before any city funding is considered</li> <li>• All revenues from concessions, advertising and sponsorships earned by or for the Velodrome form part of the Velodrome's operating revenue.</li> <li>• All revenue secured from the sale of venue naming rights, sponsorships and advertising form part of the Velodrome's operating revenue, and agreed upon term in advance.</li> </ul>	<ul style="list-style-type: none"> <li>• Issue re Mohawk's annual use payment requires further discussions; Mohawk requests contribution to city not to exceed \$200,000 per year (with annual CPI).</li> <li>• None</li> </ul>
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	<ul style="list-style-type: none"> <li>• Ancillary Revenue</li>   <li>• Naming Rights, Sponsorships and Advertising</li>   <li>• Parking</li>   <li>• Event Parking</li> </ul>	<ul style="list-style-type: none"> <li>• Mohawk naming and sponsorship activities will be respected and apply to the selections.</li> <li>• Similarly, City naming and sponsorship activities will be respected and apply to any naming or sponsorships of the MRC</li> <li>• Mohawk reserves its rights to the use of its intellectual property relating to its brand.</li> <li>• City reserves its rights to the use of its intellectual property relating to its brand.</li> <li>• The Velodrome is to be provided with dedicated on-site parking for 100 vehicles.</li> <li>• During normal Velodrome operating hours, these parking spaces are to be made available to Velodrome users at no cost (whether athlete or community user).</li> <li>• Revenue from event parking in Mohawk Parking Lots will be retained by Mohawk.</li> </ul>	<ul style="list-style-type: none"> <li>• Mohawk naming and sponsorship activities will be respected and apply to the selections.</li> <li>• Similarly, City naming and sponsorship activities will be respected and apply to any naming or sponsorships of the MRC</li> <li>• Mohawk reserves its rights to the use of its intellectual property relating to its brand.</li> <li>• City reserves its rights to the use of its intellectual property relating to its brand.</li> <li>• The Velodrome is to be provided with dedicated on-site parking for 100 vehicles.</li> <li>• During normal Velodrome operating hours, these parking spaces are to be made available to Velodrome users at no cost (whether athlete or community user).</li> <li>• Revenue from event parking in Mohawk Parking Lots will <b>negotiated based on event organizers requirements</b></li> </ul>	<ul style="list-style-type: none"> <li>• Issue re reciprocal protection of sponsorships.</li>   <li>• None</li>   <li>• <b>Parking revenues for major events may be dictated by event operators and will need to be negotiated based on availability</b></li> </ul>
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8.	<b>Term and Covenants</b>	<ul style="list-style-type: none"> <li>• 20 years with 4 5-year renewals</li> <li>• City provides Mohawk access to the Velodrome infield for its programming purposes, including varsity sport team practices, general student body use and up to 20 Mohawk College events per year.</li> <li>• CCA provided access to the Velodrome cycling track for training, practices and for up to 20 event days per year.</li> <li>• City provided access to the Velodrome Infield and cycling track for community programming.</li> <li>• City agrees to continuously operate the Velodrome during the terms of the Agreement, including any subsequent renewal periods.</li> <li>• The City agrees to indemnify and hold Mohawk College harmless for its use of the Velodrome</li> <li>• Mohawk College agrees to indemnify</li> </ul>	<ul style="list-style-type: none"> <li>• 20 years with 4 5-year renewals</li> <li>• City provides Mohawk access to the Velodrome infield for its programming purposes, including varsity sport team practices, general student body use and up to 20 Mohawk College events per year.</li> <li>• CCA provided access to the Velodrome cycling track for training, practices and for up to 20 event days per year.</li> <li>• City provided access to the Velodrome Infield and cycling track for community programming <b>and up to 10 one weekend day events per year.</b></li> <li>• City agrees to continuously operate the Velodrome during the terms of the Agreement, including any subsequent renewal periods.</li> <li>• The City agrees to indemnify and hold Mohawk College harmless for its use of the Velodrome</li> <li>• Mohawk College agrees to indemnify</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> <li>• <b>To be reviewed</b></li> <li>• None</li> <li>• None</li> </ul>
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	<ul style="list-style-type: none"> <li>• Default / penalty</li> <li>• Decommissioning</li> <li>• Arbitration / Mediation</li> <li>• 2015 Pan Am Games</li> </ul>	<p>and hold the City harmless for its use of the Velodrome</p> <ul style="list-style-type: none"> <li>• In the event of Continuous Operations default, the City will, at Mohawk's option:                             <ul style="list-style-type: none"> <li>• Pay to Mohawk the average of the previous four years' annual shortfall, increasing annually for CPI, for each year remaining on the Agreement term.</li> <li>• Pay for the adaptive re-use of the Velodrome to provide Mohawk with gymnasium facilities</li> <li>• Pay for the demolition and remediation and replacement gym facilities</li> </ul> </li> <li>• To be negotiated</li> <li>• To be negotiated</li> <li>• Mohawk agrees not to program any event or utilize the Velodrome for any reason during the lead up to or staging of the 2015 Pan Am Games, commencing approximately June 1, 2015.</li> <li>• Mohawk agrees that any Pan Am Games event, training, testing, etc. taking place at the Velodrome will</li> </ul>	<p>and hold the City harmless for its use of the Velodrome</p> <ul style="list-style-type: none"> <li>• In the event of Continuous Operations default, the City will, at Mohawk's option:                             <ul style="list-style-type: none"> <li>• Pay to Mohawk the average of the previous four years' annual shortfall, increasing annually for CPI, for each year remaining on the Agreement term.</li> <li>• Pay for the adaptive re-use of the Velodrome to provide Mohawk with gymnasium facilities</li> <li>• Pay for the demolition and remediation and replacement gym facilities</li> </ul> </li> <li>• To be negotiated</li> <li>• To be negotiated</li> <li>• Mohawk agrees not to program any event or utilize the Velodrome for any reason during the lead up to or staging of the 2015 Pan Am Games, commencing approximately June 1, 2015.</li> <li>• Mohawk agrees that any Pan Am Games event, training, testing, etc. taking place at the Velodrome will</li> </ul>	<ul style="list-style-type: none"> <li>• <b>This needs further review and discussion</b></li> <li>• None</li> <li>• None</li> <li>• None</li> </ul>
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Mohawk College / City of Hamilton Velodrome / Recreation Centre  
Draft Heads of terms for MOU – Revised September 30, 2011

**Note: The following draft Heads of terms for the MOU between the two parties are still in draft form and require further discussion and agreement between both parties before a final document can be approved by Council and Mohawk College.**

	<ul style="list-style-type: none"> <li>• Mohawk Lands</li> <li>• Ownership</li> </ul>	<p>have priority access</p> <ul style="list-style-type: none"> <li>• Mohawk agrees to lease the City approximately 4 acres of land for a term of 20 years with 4 5-year renewals at no cost to the City of Hamilton</li> <li>• The City of Hamilton will own the Velodrome</li> </ul>	<p>have priority access</p> <ul style="list-style-type: none"> <li>• Mohawk agrees to lease the City approximately 4 acres of land for a term of 20 years with 4 5-year renewals at no cost to the City of Hamilton</li> <li>• The City of Hamilton will own the Velodrome</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> <li>• None</li> </ul>
<b>9.</b>	<b>Capital Costs</b>			
	<ul style="list-style-type: none"> <li>• Mohawk Contribution</li> <li>• Site Costs</li> <li>• Utility / Infrastructure Costs</li> <li>• Replacement Parking</li> </ul>	<ul style="list-style-type: none"> <li>• Mohawk agrees to contribute a minimum of \$2.0 million to the capital cost of the Velodrome.</li> <li>• Site costs associated with the Velodrome location at Mohawk to be included in the IO project costs or assumed by the City.</li> <li>• Utilities and infrastructure costs associated with the Velodrome location at Mohawk to be included in the IO project costs or assumed by the City.</li> <li>• Costs associated with replacement parking for Mohawk are the responsibility of the City.</li> </ul>	<ul style="list-style-type: none"> <li>• Mohawk agrees to contribute a minimum of \$2.0 million to the capital cost of the Velodrome.</li> <li>• Site costs associated with the Velodrome location at Mohawk to be included in the IO project costs or assumed by the City.</li> <li>• Utilities and infrastructure costs associated with the Velodrome location at Mohawk to be included in the IO project costs or assumed by the City.</li> <li>• Costs associated with replacement parking for Mohawk are the responsibility of _____.</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> <li>• None</li> <li>• None</li> <li>• <b>This is an issue and requires further discussions</b></li> </ul>

Mohawk College / City of Hamilton Velodrome / Recreation Centre  
Draft Heads of terms for MOU – Revised September 30, 2011

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	<ul style="list-style-type: none"> <li>• Design / Construction</li> </ul>	<ul style="list-style-type: none"> <li>• Mohawk College will have input to the facility design,</li> <li>• The City and Mohawk to participate on the facility construction oversight team (assuming there is one established).</li> <li>• Design changes and change orders resulting from suggestions / amendments / etc., initiated by Mohawk will be the responsibility of Mohawk to fund.</li> <li>• Design changes and change orders resulting from suggestions / amendments / etc., initiated by the City will be the responsibility of the City to fund.</li> </ul>	<ul style="list-style-type: none"> <li>• Mohawk College will have input to the facility design,</li> <li>• The City and Mohawk to participate on the facility construction oversight team (assuming there is one established).</li> <li>• Design changes and change orders resulting from suggestions / amendments / etc., initiated by Mohawk will be the responsibility of Mohawk to fund.</li> <li>• Design changes and change orders resulting from suggestions / amendments / etc., initiated by the City will be the responsibility of the City to fund.</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>
10.	<p><b>Other:</b></p> <ul style="list-style-type: none"> <li>• Exit Strategy from Current Process</li> <li>• Communications</li> <li>• Project Development Schedule</li> </ul>	<ul style="list-style-type: none"> <li>• To be determined</li> <li>• To be determined</li> <li>• To be determined</li> </ul>	<ul style="list-style-type: none"> <li>• To be determined</li> <li>• To be determined</li> <li>• To be determined</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> <li>• None</li> <li>• None</li> </ul>
11.	<ul style="list-style-type: none"> <li>• <b>Approvals</b></li> </ul>	<ul style="list-style-type: none"> <li>• Subject to Mohawk Board approval</li> <li>• Subject to MSA approval</li> </ul>	<ul style="list-style-type: none"> <li>• Subject to City Council approval</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>

Mohawk College / City of Hamilton Velodrome / Recreation Centre

Draft Heads of terms for MOU – Revised September 30, 2011

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Mohawk College / City of Hamilton Velodrome / Recreation Centre  
 Land Lease Draft Heads of terms for MOU – Revised September 30, 2011 rt

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	Heading	Mohawk Position	City Position	ISSUES
1.	<b>Preamble and Objectives</b>	<ul style="list-style-type: none"> <li>• Facility with national recognition</li> <li>• Improved facilities for college</li> <li>• Reduced cost for college</li> <li>• Learning / employment opportunities for students</li> <li>• Showcase Mohawk’s Community and sustainability objectives</li> <li>• Velodrome and Mohawk Recreation Centre (“MRC”) to be designed, built and operated as two separate buildings, with secure access between the buildings. Each building to have stand-alone systems for HVAC, life safety, security, etc.</li> <li>• City and Mohawk agree to undertaken, where ever reasonably possible, to take advantage of design, construction, and operating synergies and efficiencies.</li> </ul>	<ul style="list-style-type: none"> <li>• Facility with national recognition</li> <li>• Expands range of facilities within City</li> <li>• Reduced cost for City</li> <li>• Learning and development of cycling opportunities to enhance health and wellness in the community</li> <li>• Enhances City’s community and sustainability objectives</li> <li>• Velodrome and Mohawk Recreation Centre (“MRC”) to be designed, built and operated as two separate buildings, with secure access between the buildings. Each building to have stand-alone systems for HVAC, life safety, security, etc.</li> <li>• City and Mohawk agree to undertaken, where ever reasonably possible, to take advantage of design, construction, and operating synergies and efficiencies.</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>
2.	<b>Velodrome Facility Description and Program</b>	<ul style="list-style-type: none"> <li>• The velodrome is located on 4.17 acres of land and consists of an indoor velodrome centre and parking for 100 vehicles. The Velodrome Centre includes a 250m UCI regulation track,</li> </ul>	<ul style="list-style-type: none"> <li>• The velodrome is located on 4.17 acres of land and consists of an indoor velodrome centre and parking for 100 vehicles. The Velodrome Centre includes a 250m UCI regulation track,</li> </ul>	<ul style="list-style-type: none"> <li>• <b>East end zone equipment storage for gym equipment includes: basketball nets/stands, volleyball stands/nets. Gym equipment for</b></li> </ul>

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		<p>track infield to allow for other sports (infield represents 3 recreational gyms), change rooms, event lockers, storage, limited office/administration areas</p> <ul style="list-style-type: none"> <li>• Velodrome track infield to be outfitted with 3 gymnasiums, with the centre gym able to accommodate 500 people on the floor</li> <li>• Layout to incorporate an east and west endzone. West endzone to be used for cycling; east endzone to be used for recreation equipment storage.</li> <li>• Infield floor designed for recreational sports use.</li> <li>• A system of curtains and drapes to be used to safely separate the cycling track from the infield.</li> <li>• LEED Certified</li> <li>• Meet Hamilton's Barrier Free standards</li> <li>• Velodrome's upper level seating concourse may be used as a walking concourse when there are no conflicts with use of infield or cycling track</li> </ul>	<p>track infield to allow for other sports (infield represents 3 recreational gyms), change rooms, event lockers, storage, limited office/administration areas</p> <ul style="list-style-type: none"> <li>• Velodrome track infield to be outfitted with 3 gymnasiums, to accommodate 500 people for events on the floor</li> <li>• Layout to incorporate an east and west endzone. West endzone to be used for cycling; east endzone to be used for court recreation equipment storage.</li> <li>• Infield floor designed for recreational sports use.</li> <li>• A system of curtains and drapes to be used to safely separate the cycling track from the infield.</li> <li>• LEED Certified</li> <li>• Meet Hamilton's Barrier Free standards</li> <li>• Velodrome's upper level seating concourse may be used as a walking concourse when there are no conflicts with use of infield or cycling track</li> </ul>	<p><b>should not obstruct view or use of facility during velodrome events. Additional storage to move equipment required. Some security issues for equipment.</b></p>
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3.	<b>Lands</b>	<ul style="list-style-type: none"> <li>Mohawk agrees to lease the City approximately 4.17 acres of land located west of Governor's Road as shown on the attached Schedule A</li> </ul>	<ul style="list-style-type: none"> <li>Mohawk agrees to lease the City approximately 4.17 acres of land located west of Governor's Road as shown on the attached Schedule A</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>
4.	<b>Access</b>	(Provide draft Master Plan)		<ul style="list-style-type: none"> <li><b>(outstanding)</b></li> </ul>
5.	<b>Term of Lease</b>	<ul style="list-style-type: none"> <li>20 years with 4 5-year renewals</li> </ul>		
6.	<b>Term and Covenants</b> <ul style="list-style-type: none"> <li>Length of Term</li> <li>Use of Facilities</li> </ul>	<ul style="list-style-type: none"> <li>20 years with 4 5-year renewals</li> <li>City provides Mohawk access to the Velodrome infield for its programming purposes, including varsity sport team practices, general student body use and up to 20 Mohawk College events per year.</li> <li>CCA provided access to the Velodrome cycling track for training, practices and for up to 20 event days per year.</li> <li>City provided access to the Velodrome</li> </ul>	<ul style="list-style-type: none"> <li>20 years with 4 5-year renewals</li> <li>City provides Mohawk access to the Velodrome infield for its programming purposes, including varsity sport team practices, general student body use and up to 20 Mohawk College events per year.</li> <li>CCA provided access to the Velodrome cycling track for training, practices and for up to 20 event days per year.</li> <li>City provided access to the Velodrome</li> </ul>	<ul style="list-style-type: none"> <li>None</li> <li>To be reviewed</li> </ul>

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	<ul style="list-style-type: none"> <li>• Continuous Operation Covenant</li>   <li>• Indemnity and Liability</li>   <li>• Default / penalty</li>   <li>• Decommissioning</li> </ul>	<p>Infield and cycling track for community programming.</p> <ul style="list-style-type: none"> <li>• City agrees to continuously operate the Velodrome during the terms of the Agreement, including any subsequent renewal periods.</li>   <li>• The City agrees to indemnify and hold Mohawk College harmless for its use of the Velodrome</li>   <li>• Mohawk College agrees to indemnify and hold the City harmless for its use of the Velodrome</li>   <li>• In the event of Continuous Operations default, the City will, at Mohawk's option:                             <ul style="list-style-type: none"> <li>• Pay to Mohawk the average of the previous four years' annual shortfall, increasing annually for CPI, for each year remaining on the Agreement term.</li> <li>• Pay for the adaptive re-use of the Velodrome to provide Mohawk with gymnasium facilities</li>   <li>• Pay for the demolition and remediation and replacement gym facilities</li> </ul> </li> </ul>	<p>Infield and cycling track for community programming <b>and up to 10 one weekend day events per year.</b></p> <ul style="list-style-type: none"> <li>• City agrees to continuously operate the Velodrome during the terms of the Agreement, including any subsequent renewal periods.</li>   <li>• The City agrees to indemnify and hold Mohawk College harmless for its use of the Velodrome</li>   <li>• Mohawk College agrees to indemnify and hold the City harmless for its use of the Velodrome</li>   <li>• In the event of Continuous Operations default, the City will, at Mohawk's option:                             <ul style="list-style-type: none"> <li>• Pay to Mohawk the average of the previous four years' annual shortfall, increasing annually for CPI, for each year remaining on the Agreement term.</li> <li>• Pay for the adaptive re-use of the Velodrome to provide Mohawk with gymnasium facilities</li>   <li>• Pay for the demolition and remediation and replacement gym facilities</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• None</li>   <li>• None</li>   <li>• <b>This needs further review and discussion</b></li>   <li>• None</li> </ul>
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	<ul style="list-style-type: none"> <li>• Arbitration / Mediation</li> <li>• 2015 Pan Am Games</li> <li>• Mohawk Lands</li> <li>• Ownership</li> </ul>	<ul style="list-style-type: none"> <li>• To be negotiated</li> <li>• To be negotiated</li> <li>• Mohawk agrees not to program any event or utilize the Velodrome for any reason during the lead up to or staging of the 2015 Pan Am Games, commencing approximately June 1, 2015.</li> <li>• Mohawk agrees that any Pan Am Games event, training, testing, etc. taking place at the Velodrome will have priority access</li> <li>• Mohawk agrees to lease the City approximately 4 acres of land for a term of 20 years with 4 5-year renewals at no cost to the City of Hamilton</li> <li>• The City of Hamilton will own the Velodrome</li> </ul>	<ul style="list-style-type: none"> <li>• To be negotiated</li> <li>• To be negotiated</li> <li>• Mohawk agrees not to program any event or utilize the Velodrome for any reason during the lead up to or staging of the 2015 Pan Am Games, commencing approximately June 1, 2015.</li> <li>• Mohawk agrees that any Pan Am Games event, training, testing, etc. taking place at the Velodrome will have priority access</li> <li>• Mohawk agrees to lease the City approximately 4 acres of land for a term of 20 years with 4 5-year renewals at no cost to the City of Hamilton</li> <li>• The City of Hamilton will own the Velodrome</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> <li>• None</li> <li>• None</li> <li>• None</li> </ul>
<p><b>9.</b></p>	<p><b>Capital Costs</b></p> <ul style="list-style-type: none"> <li>• Mohawk Contribution</li> <li>• Site Costs</li> </ul>	<ul style="list-style-type: none"> <li>• Mohawk agrees to contribute a minimum of \$2.0 million to the capital cost of the Velodrome.</li> <li>• Site costs associated with the Velodrome location at Mohawk to be</li> </ul>	<ul style="list-style-type: none"> <li>• Mohawk agrees to contribute a minimum of \$2.0 million to the capital cost of the Velodrome.</li> <li>• Site costs associated with the Velodrome location at Mohawk to be</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> <li>• None</li> </ul>

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	<ul style="list-style-type: none"> <li>• Utility / Infrastructure Costs</li> <li>• Replacement Parking</li> <li>• Design / Construction</li> </ul>	<p>included in the IO project costs or assumed by the City.</p> <ul style="list-style-type: none"> <li>• Utilities and infrastructure costs associated with the Velodrome location at Mohawk to be included in the IO project costs or assumed by the City.</li> <li>• Costs associated with replacement parking for Mohawk are the responsibility of the City.</li> <li>• Mohawk College will have input to the facility design</li> <li>• The City and Mohawk to participate on the facility construction oversight team (assuming there is one established).</li> <li>• Design changes and change orders resulting from suggestions / amendments / etc., initiated by Mohawk will be the responsibility of Mohawk to fund.</li> <li>• Design changes and change orders resulting from suggestions / amendments / etc., initiated by the City will be the responsibility of the City to fund.</li> </ul>	<p>included in the IO project costs or assumed by the City.</p> <ul style="list-style-type: none"> <li>• Utilities and infrastructure costs associated with the Velodrome location at Mohawk to be included in the IO project costs or assumed by the City.</li> <li>• Costs associated with replacement parking for Mohawk are the responsibility of <u>City</u>.</li> <li>• Mohawk College will have input to the facility design</li> <li>• The City and Mohawk to participate on the facility construction oversight team (assuming there is one established).</li> <li>• Design changes and change orders resulting from suggestions / amendments / etc., initiated by Mohawk will be the responsibility of Mohawk to fund.</li> <li>• Design changes and change orders resulting from suggestions / amendments / etc., initiated by the City will be the responsibility of the City to fund.</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> <li>• None</li> <li>• None</li> </ul>
<p>10.</p>	<p>Other:</p>			

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	<ul style="list-style-type: none"> <li>• Exit Strategy from Current Process</li> <li>• Communications</li> <li>• Project Development Schedule</li> </ul>	<ul style="list-style-type: none"> <li>• To be determined</li> <li>• To be determined</li> <li>• To be determined</li> </ul>	<ul style="list-style-type: none"> <li>• To be determined</li> <li>• To be determined</li> <li>• To be determined</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> <li>• None</li> <li>• None</li> </ul>
11.	<ul style="list-style-type: none"> <li>• <b>Approvals</b></li> </ul>	<ul style="list-style-type: none"> <li>• Subject to Mohawk Board approval</li> <li>• Subject to MSA approval</li> </ul>	<ul style="list-style-type: none"> <li>• Subject to City Council approval</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>