

INFORMATION REPORT

TO: Mayor and Members General Issues Committee	WARD(S) AFFECTED: WARDS 5 & 14
COMMITTEE DATE: November 14, 2011	
SUBJECT/REPORT NO: Confederation Park Master Plan and Agreement (PW11005a/CS11004a) - (Wards 5 and 14 with City Wide Implications)	
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Council Direction:

Council, at its meeting of January 10, 2011, approved Item 11 of General Issues Committee Report 11-002 and the following:

- (a) That the Confederation Park Master Plan Review and Update Final Report, August 2010 as submitted by the Hamilton Conservation Authority be received;
- (b) That the General Manager of Public Works be directed to review and report back on the feasibility of implementing the Confederation Park Master Plan, in consultation with the relevant departments;
- (c) That the General Manager of Public Works, Community Services and Planning and Economic Development be authorized and directed to negotiate all necessary agreements in a form satisfactory to the City Solicitor, including an interim operating agreement for the necessary lands comprising Confederation Park with the Hamilton Conservation Authority;

**SUBJECT: Confederation Park Master Plan and Agreement
(PW11005a /CS11004a)
(Wards 5 & 14 with City Wide Implications) - Page 2 of 6**

- (d) That the General Manager of Community Services be authorized and directed to negotiate an interim operating agreement with the Hamilton Conservation Authority for Westfield Heritage Village in a form satisfactory to the City Solicitor;
- (e) That the Mayor and City Clerk be authorized and directed to execute the agreements as outlined in Report PW11005/CS11004/PED11015;
- (f) That the General Managers of Public Works and Community Services be directed to review and report back on operating alternatives beyond the interim agreements identified in recommendations (c) and (d) respectively.

Information:

This information report provides an update on progress on Council direction from January 2011, including the City of Hamilton (City) review of the Confederation Park Master Plan (August 2010) submitted to the City by the Hamilton Conservation Authority (HCA), the interim operating agreements with the HCA for Confederation Park and Westfield Heritage Village and operating alternatives for these City owned assets.

Confederation Park Master Plan Review

The Confederation Park Master Plan Review & Update, August 2010 as submitted by the HCA was reviewed by a cross department staff stakeholder team in the context of the City's departmental and corporate priorities as directed in recommendation (b). The staff team included representation by Public Works, Recreation, Tourism, Economic Development, Corporate Services and Public Health Services. As a result of the review, staff have concluded that:

1. Confederation Park is a significant destination and gateway to the City of Hamilton and warrants a renewed capital investment over the next 10-15 years to properly manage the park and provide adequate waterfront amenities to support the large volume of seasonal park users.
2. The August 2010 Confederation Park Master Plan recommends a vision for general public sector improvements and commercial-oriented investment opportunities. The public sector improvements could be advanced now by the City as the owner of the property. The commercial-oriented recommendations have not been evaluated in the marketplace to determine the validity of the suggested developments and the return on investment.
3. The park will not attract significant private sector investment without the presence of a year round operation. No year round operation is proposed in the plan.
4. The park requires additional and/or expanded amenities to make the site a full day destination; any commercial component would have a greater potential for success if partnered with the City. Further study will be necessary to define the appropriate level of expansion.

**SUBJECT: Confederation Park Master Plan and Agreement
(PW11005a /CS11004a)
(Wards 5 & 14 with City Wide Implications) - Page 3 of 6**

5. The water park “Wild Waterworks” acts as a critical component to the park’s success and requires capital improvements to preserve its core function and attraction to Hamiltonians and tourists. The extent of capital improvements will need further review as part of the feasibility study.
6. The proposed development of the master plan requires further refinement to reduce hard programmed space and increase general open space to support un-programmed activities such as; picnic areas, playgrounds and trails that provide opportunities to interact with nature. The go-kart facility lease should not be renewed for its present location. The campground conversion to active sports should preserve 25% to 50% of the land area for passive use.
7. The future operational model cannot be determined until direction is established for the long term use of the Park, either through the implementation of the August 2010 Master Plan or a revised plan to be proposed by the City. Any proposed model should be evaluated for the best fit with City business plans.
8. The staff review to date suggests that future development will not attract 100% private sector investment and any improvements will require a capital investment by the City. There would be a benefit in proceeding with an Economic Feasibility study to determine the potential private sector involvement in the development of the Park and Master Plan components.

The staff stakeholder team recommended that the commercial-oriented proposed amenities be evaluated for its economic and market feasibility. Additionally, the staff team recommended that Public Works lead a functional design review of the proposed public sector amenities. An Open Space Development 2012 capital budget submission is recommended to complete the necessary background investigations to lead the development of an implementation strategy and economic feasibility model. The review will include the preparation of a future directions strategy for park improvements based on condition assessment of park assets and the private – public partnership model (3P). The chart below (Chart 1) illustrates the work plan stages and associated projected dates for completion.

The future directions work plan organizes park re-development initiatives into two streams, the public sector (non revenue generating amenities) and the private public partnership model (3P revenue generating amenities). The implementation strategy will include phasing and funding requirements for public sector components and the Economic Feasibility report will establish the terms of reference to attract potential 3P interest. The Economic Feasibility report will provide direction for Recreation, and Economic Development staff to pursue 3P proposals for private sector involvement in park re-development upgrades. Establishing private sector involvement will be evaluated as part of a new operational model for the park.

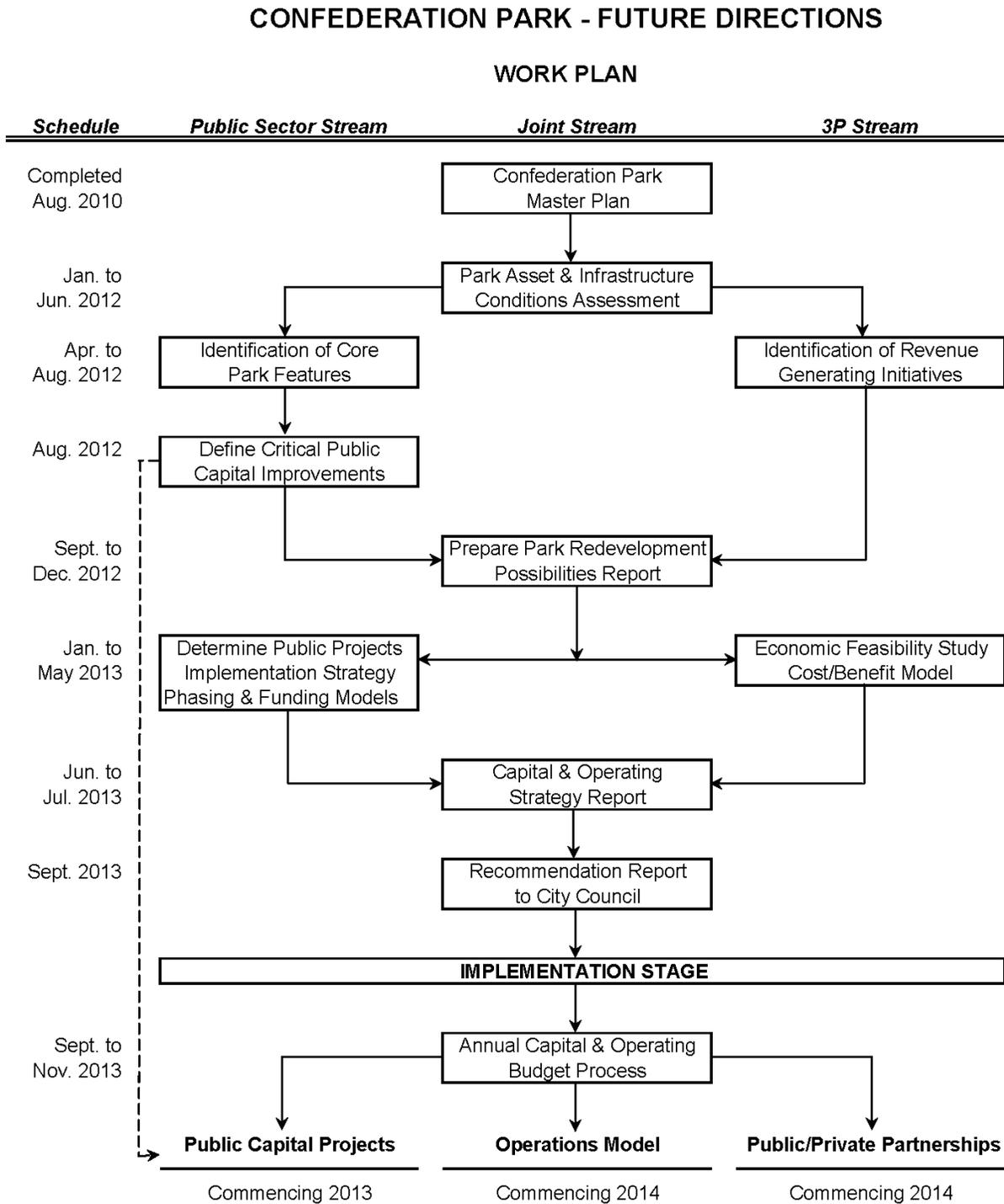
The first part of the work plan will define any critical Public Sector capital park improvements for recommendation in the 2013 capital budget. The second part will

**SUBJECT: Confederation Park Master Plan and Agreement
(PW11005a /CS11004a)
(Wards 5 & 14 with City Wide Implications) - Page 4 of 6**

include a Park Re-development Possibilities Report that examines collaborative development possibilities with leaders in the waterfront/attraction/parks industry and the public – estimated completion December 2012. The Confederation Park Public Sector Possibilities Report will provide the necessary background for a cost/benefit model of private sector partnership. The subsequent Implementation Strategy and Economic Feasibility Report would be completed in July 2013. A follow up report to Council in September 2013 will provide recommendations for a re-development capital program for both public and 3P streams, potential servicing upgrades for Confederation Park and report on full operating cost that corresponds to the proposed upgrades.

**SUBJECT: Confederation Park Master Plan and Agreement
(PW11005a /CS11004a)
(Wards 5 & 14 with City Wide Implications) - Page 5 of 6**

Chart 1 Confederation Park - Future Directions Work Plan



**SUBJECT: Confederation Park Master Plan and Agreement
(PW11005a /CS11004a)
(Wards 5 & 14 with City Wide Implications) - Page 6 of 6**

The new financial model would act as a resource for the determination of a new operational model upon the expiry of the interim agreement with HCA. Once there is a Council position on future use and development of Confederation Park, operational models for management of its facilities can be evaluated while meeting the overall best interest of City tax payers.

Interim Operating Agreements

As directed in Recommendations (c) and (d), staff from Public Works, Community Services, Corporate Finance, Planning and Economic Development, Tourism and Legal worked together to develop interim operating agreements with HCA for Confederation Park and Westfield Heritage Village.

The agreement for Confederation Park is in the final stages of negotiation and is expected to be completed by the end of the year. The agreement for Westfield Heritage Village will subsequently follow based on the agreement for Confederation Park as a template.

Confederation Park key operating agreement principles include:

- Clarification of City approval for park development;
- Set management fee of 15% of operating costs for fair compensation to the HCA for its managerial, administrative and supervisory services not directly arising from the Confederation Park budget, with a provision for a 10% share of any operating surplus as an incentive;
- Updated insurance requirements to be at the same level as the City;
- Requirement for more detailed budget and operating reports for review by City staff
- Establishment of a Park Management Review Team and City Contract Administrator to improve communications and understanding of Park operations.
- The agreement is effective May 1, 2011 and expires December 31, 2013 with two one-year renewals.

For the 2012 budget process, the Confederation Park Capital budget will fall under the Public Works Department, as the Contract Administrator for the agreement. It is expected that there will be a \$30,000 to \$50,000 operating budget pressure reflected in the HCA budget submission to cover the updated insurance requirements.

Operating Alternatives

Staff have had preliminary discussions about operating alternatives beyond the interim agreements as part of the review of the Confederation Park Master Plan. No discussions have begun regarding operating alternatives for Westfield Village. As noted earlier in the report, it is premature at this time to address recommendation (f) of the report until longer term use of the Park and Village has been determined.