




CITY OF HAMILTON

**COMMUNITY SERVICES DEPARTMENT
Recreation Division**

TO: Chair and Members Emergency & Community Services Committee	WARD(S) AFFECTED: WARD 4
COMMITTEE DATE: September 10, 2012	
SUBJECT/REPORT NO: Normanhurst Community Centre (CS12034) (Ward 4)	
SUBMITTED BY: Joe-Anne Priel General Manager Community Services Department	PREPARED BY: Rom D'Angelo 905-546-2424 ext. 4617
SIGNATURE: 	

RECOMMENDATION

- (a) That the Real Estate Section of the Planning and Economic Development Department be directed to declare surplus the subject property known as Normanhurst Community Centre, located at 1621 Barton Street East, Hamilton, as shown on Appendix "A" to Report CS12034, in accordance with the "Procedural By-law for the Sale of Land", being By-law No. 04-299; and,
- (b) That proceeds from the sale of 1621 Barton Street East be transferred to the 2013 Capital Budget Submission, Project 7101354105 - Mahoney Park Washroom/Pavilion.

EXECUTIVE SUMMARY

Normanhurst Community Centre, located at 1621 Barton Street East, was constructed in 1940. It is a wood frame structure sitting on concrete block basement walls. The building consists of 2 levels with a total building size of 2,885 square feet. The site is currently occupied by three tenants: the East Hamilton Optimist Club; the Kinsmen of Hamilton; and McGrory's Boxing Club. The East Hamilton Optimist Club and the

Kinsmen of Hamilton are not-for-profit organizations. McGrory's Boxing Club is an unincorporated organization that may have for-profit interests.

The 2008 Use, Renovation and Replacement Study for Hamilton Recreation and Public-Use Facilities, presented to Emergency and Community Services on April 1, 2008, identified Normanhurst as an under-utilized facility. In addition, there are a number of concerns regarding the building such as structural, mechanical/electrical systems, and mould presence. On July 8, 2011 the City of Hamilton retained AMEC Earth and Environmental to conduct an indoor environmental study to determine if there was mould present. The outcome was conclusive that mould growth was present in several locations throughout the building. In addition, as outlined in the Condition Assessment Report from ReCAPP (Renewal Capital Asset Planning Process tool) the building was found to be in poor shape and would require \$216,000 in capital upgrades to meet current standards.

Therefore, staff is seeking Council's approval to declare the subject property surplus to the requirements of the City of Hamilton in accordance with the "Procedural By-law for the Sale of Land", being By-law No. 04-299.

Staff recommends that proceeds of the sale of the property be reinvested in a washroom-pavilion facility in neighbouring Mahoney Park, located in Ward 4.

In terms of utilization, the East Hamilton Optimist Club, and the Kinsmen Club of Hamilton both utilize the main floor of the community centre for monthly meetings. City staff will work with the groups to identify meeting spaces at nearby recreation facilities (e.g. Parkdale Arena or Winston Churchill Recreation Centre).

The basement of the community centre is utilized by McGrory's Boxing Club. They are present at the community centre weekday evenings and during the day on Saturday and Sunday. Patrons of McGrory's Boxing Club utilize the facility for physical training, and sparring. McGrory's Boxing Club requires a location that has ample space to house boxing equipment and allow for physical training. Moreover, the equipment used by McGrory's is static and cannot be easily moved from location to location. Currently there are no identified City of Hamilton assets that would accommodate these needs.

The boxing club has been informed by the City that they will have to vacate the building once it has been declared surplus by City Council. The City will not provide new space in a municipal facility to relocate the boxing club. The club president is now working to identify new space in a commercial facility.

The boxers pay membership fees to McGrory's Boxing Club and could join other boxing clubs in the city. Boxing Ontario has provided two other sanctioned boxing clubs in Hamilton.

Alternatives for Consideration – Not Applicable

FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial:

Leasing Arrangements:

Since 1977, the rent for McGrory's Boxing Club has been established at \$1,000 per year. The rent has remained unchanged and the City has continued to assume responsibility for the capital and maintenance/operating costs to the facility. Since the inception of the lease, no payment has been made to the City of Hamilton.

There is no agreement in place for the East Hamilton Optimist Club or the Kinsmen of Hamilton. The space is offered as a 'gift-in-kind' for services provided in the community.

Because of the close proximity of Mahoney Park to the Normanhurst Community Centre and the urgent need to replace the washroom facility at the park, options were raised with the Ward Councillor to build a combined washroom facility in the park with a multi-purpose room for community use. The 2013 Capital submission from the Recreation Division will include the Mahoney Park Pavilion as an affordable project. The project is valued at \$700,000. Funding sources are a combination of Recreation's Block Funding, the 2005 Capital 'work-in-progress' for Normanhurst with available funds of \$183,000, as well as the proceeds of the sale of Normanhurst property to be transferred to account 7101354105.

Property Appraisal:

Although the property is assessed at \$273,000 (2012) the real estate market value for this property is undetermined at this point in time. The latest property appraisal on file was conducted on February 11, 2005 and based on the market conditions in 2005 the estimated value for the property was \$90,000 to \$100,000. The Recreation Division has made a request to the Real Estate Section to have the appraisal updated prior to going to market.

Capital Life Cycle:

The Building Condition Assessment Report outlined in ReCAPP, identifies a future capital investment of \$216,000 (as a minimum) over a two year period. This estimate does not include soft costs such as design fees, permit fees, project management, inflation or the necessary requirements for AODA (Accessibility for Ontarians with Disabilities Act, 2005).

Annual Operating Budget:

The Recreation Division oversees the day-to-day maintenance of the building and grounds, which includes, but is not limited to, the following; mechanical systems, electrical systems, plumbing, building envelop, security, grounds maintenance and snow removal. The City covers all utility costs as well. The annual operating cost based on a five year average ranges from \$13,000-\$15,000 annually.

Staffing:

There are no staffing implications associated with Report CS12034

Legal:

The Legal Services Division will be required to assist in the preparation of the necessary documents upon the sale of the land.

HISTORICAL BACKGROUND

The subject property is located in the Normanhurst Neighbourhood, Ward 4, which is bound by Strathearne Avenue to the west, Parkdale Avenue to the east, Queenston Road to the south and the CNR mainline to the north. The parcel of land is 9,750 square feet (65 feet x 150 feet; 0.224 acres) and is relatively isolated on the north side of Barton Street East. To the immediate north-west is industrial use occupied by the Coca Cola Plant. Immediately to the east is a narrow strip of land that serves as vehicular access to an industrial property located to the north and fronting on the west side of Parkdale Avenue. East of the strip is a large parcel of recreational/park land known as Mahoney Park. There are two large parks, Parkdale Park in the southeast corner across from Sir Winston Churchill Secondary School, and Mahoney Park to the north, on the north side of Barton Street.

The Neighbourhood Plan Designation is that of "Park and Recreation". The zoning of this property is "H" District, Community Shopping and Commercial.

Community Centre Usage

East Hamilton Optimist Club: The group uses the upper level of the building periodically. They hold dinner meetings on the first and third Wednesdays of each month and board meetings on the second Wednesday of each month.

Kinsmen Club of Hamilton: The group also uses the upper level of the building for monthly meetings. The Kinsmen Club of Hamilton holds meetings on the evenings of the first and third Tuesdays of each Month.

McGrory's Boxing Club: The boxing club has been in this location since 1977 operating out of the lower level of the building. Members train primarily on weeknights and throughout the day on the weekends, depending on their training schedule for upcoming competitions. The club has approximately 60 members.

POLICY IMPLICATIONS

As no municipal need has been identified for the subject property, Council's direction is being sought to allow staff to declare the subject property surplus and dispose of the lands, in accordance with the City's Real Estate Portfolio Strategy Plan.

RELEVANT CONSULTATION

Recreation Division:

Both District Operations & City Wide Services were consulted to deal with programming and potentially relocating the not-for-profit groups from Normanhurst Community Centre to a nearby Recreation Center and/or Arena on an interim basis. Meeting space for the Kinsmen and East Hamilton Optimist Club can easily be accommodated in a city-owned facility in the community

Real Estate:

The request to declare the subject property surplus was raised at the June 21, 2012 Portfolio Management Committee meeting. The Real Estate Section has been advised that the Normanhurst property is surplus to the Recreation Division's needs.

Ward Councilor:

There were discussions with the Ward Councilor regarding the subject property not meeting the current needs of the Recreation Division as well as the facility being under-utilized with significant capital requirements. Options were raised to create synergies by relocating the meeting space used by East Hamilton Optimist and Kinsmen of Hamilton to Mahoney Park as part of a washroom renewal project to include a multi-purpose room to be used between various park users as well as users from Normanhurst Community Centre.

ANALYSIS / RATIONALE FOR RECOMMENDATION

Facility Condition Index (FCI) is an industry standard asset management tool which measures the construction asset condition at a specific point in time. It is a functional indicator resulting from analysis of different but related operational indicators (such as building repairs needs) to obtain an overview of a building's condition as a numerical value.

The Facility Condition Index is calculated by obtaining the aggregating total cost of any needed or outstanding repair, renewal or upgrade requirements at a building compared to the current replacement value of the building components. It is the ratio of the 'repair needs' to 'replacement value' expressed in percentage terms. The lower the value the

better condition the building is in. Current industry benchmarks indicate the following condition rating for facilities with various ranges of FCI:

0-5%	Asset is in GOOD condition.
5-10%	Asset is in FAIR condition.
10-30%	Asset is in POOR condition.

The five year condition index for Normanhurst Community Centre is valued at 31.31%.

As part of the Real Estate and Recreation staff's due diligence in managing the City's real estate portfolio, staff must determine the present value cost of doing nothing (continue to own/operate the property); the present value of disposal; identify all deficiencies to be remedied and their costs; identify all cost reductions, savings, or quantifiable benefits associated with the property; identify whether the use is a mandated program of the City of Hamilton and if there is a need for the City of Hamilton to maintain the municipal asset.

From a business case perspective, if the City opts to dispose of the lands, this action will reduce future capital expenditures estimated at \$216,000 plus soft costs and the AODA requirements (not calculated). The sale of the subject property will eliminate the financial burden, long term capital costs, operating costs and the liability associated with the City owning this asset and being a landlord.

The Use, Renovation & Replacement Study for Hamilton Recreation and Public-Use Facilities was conducted by Monteith Brown Planning Consultants to provide the City with a long-range sustainable strategy for managing the city's portfolio of indoor, community-use recreation infrastructure. In referencing Normanhurst Community Centre the study indicates the facility is grossly under-utilized with a considerable capital renewal backlog.

Based on the analyses provided, staff supports the recommendation in this report to have the subject property declared surplus and divest its interest.

ALTERNATIVES FOR CONSIDERATION

None

CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)

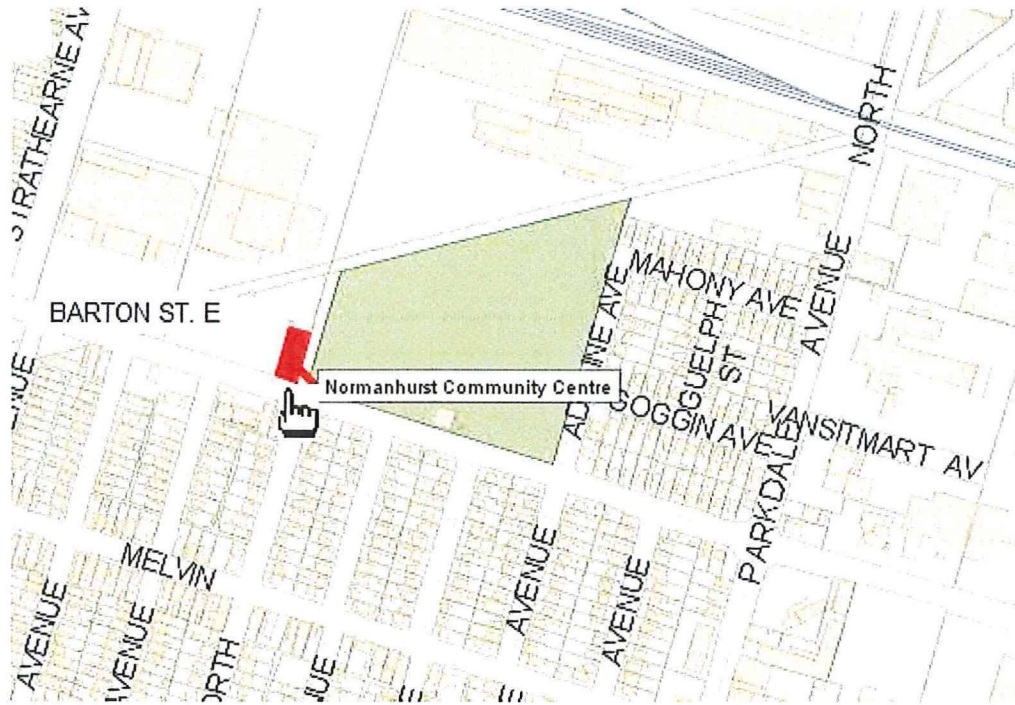
Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

Financial Sustainability

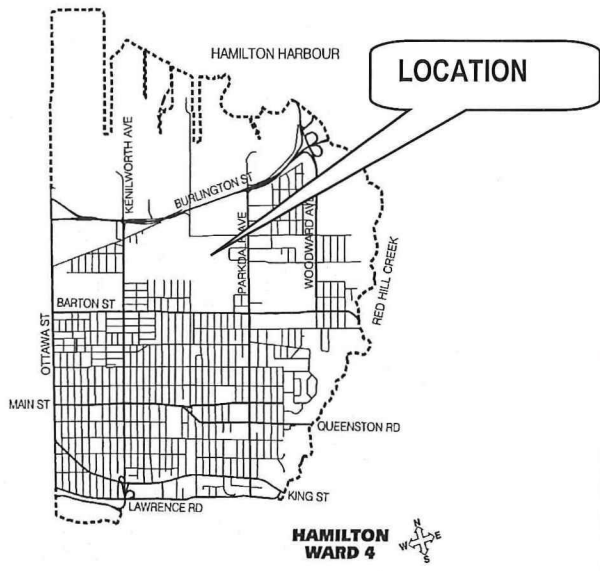
- ◆ Financially Sustainable City by 2020
- ◆ Delivery of municipal services and management capital assets/liabilities in a sustainable, innovative and cost effective manner
- ◆ Full life-cycle costing for capital
- ◆ Address infrastructure deficiencies and unfunded liabilities

APPENDICES / SCHEDULES

Appendix A to Report CS12034: Normanhurst Community Centre Location Plan



KEY MAP



LOCATION PLAN

1621 Barton Street East, Hamilton

LEGEND



SUBJECT LAND

SCALE
NOT TO SCALE

DATE
2012-09-06

