



**CITY OF HAMILTON**  
**PUBLIC WORKS**  
**Corporate Assets & Strategic Planning Division**

<b>TO:</b>	Chair and Members Public Works Committee
<b>COMMITTEE DATE:</b>	June 13, 2016
<b>SUBJECT/REPORT NO:</b>	J.L. Grightmire Arena Renovation and Expansion (Ward 13) (PW16044) (Outstanding Business List)
<b>WARD(S) AFFECTED:</b>	Ward 13
<b>PREPARED BY:</b>	Robyn Ellis Manager Strategic Planning, Capital & Compliance (905) 546-2424, Extension 2616
<b>SUBMITTED BY:</b>	Rom D'Angelo, C.E.T.; CFM Director, Facilities Management & Capital Programs Public Works Department (905) 546-2424, Extension 4617
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That the \$7 million total Capital Project cost for the J.L. Grightmire Arena Renovation and Expansion be deemed a priority within the Recreation Program Area and that the additional funding required in the amount of \$5.0 million, be approved;
- (b) That the additional \$5.0 million of funding required be funded from the Residential Indoor Recreation Development Charge Reserve in the amount of \$1.0 million, and the remaining \$4.0 million funded from debt which would require a pre-commitment from the 2017-2026 Recreation Capital Funding Block in the amount of \$520,000 annually.
- (c) That the growth expansion component of the J.L. Grightmire Arena project be included in the next Indoor Recreation Program Area update within the Development Charges Background Study.
- (d) That the City of Hamilton enter into a cost contribution agreement with the Dundas Hockeyville Legacy Project Committee, to fit-up the new 2nd floor community room, in a form satisfactory to the City Solicitor and acceptable to the General Manager of Public Works.
- (e) That Council approve the single source procurement, pursuant to Procurement Policy #11 – Non-competitive Procurements, for design and contract administration of the renovations and addition to the J.L. Grightmire Arena Renovation Project and that the General Manager, Public Works Department be authorized to negotiate, enter into and execute a Contract and any ancillary

documents required to give effect thereto with INVIZIJ ARCHITECTS INC., in a form satisfactory to the City Solicitor.

- (f) That the J.L. Grightmire Arena Renovation and Expansion item be identified as complete and removed from the Public Works Committee Outstanding Business List.

## **EXECUTIVE SUMMARY**

This report is in response to the following Council Direction;

Council Report PW16044, J.L. Grightmire Arena Renovation and Expansion, responds to item 9.3 of PW Report 16-005, approved by Council March 30, 2016; “That staff be directed to investigate capital renovation and expansion options for the J.L. Grightmire Arena and report back to the Public Works Committee.”

Discussions with Finance staff revealed that Capital requests outside of the annual capital budget process require that the City revise its Capital Forecasts and the result is that the City would have to increase the planned debt levels and/or push out other planned capital projects. The City’s Capital Reserves are not at the levels where they can fund unplanned Capital outside of the Capital Budget Process.

Option 1 - Renovation and Expansion (\$7M Total Cost):

In 2015, Renovations to J.L. Grightmire Arena, with \$2M in funding was approved by Council as part of the 2015 capital budget process. If Council approves the additional \$5M required, the \$7M total cost would consist of \$900,000 in permits, design, consultancies, contract administration, fees and contingency and \$6.1M in construction costs.

Option 2 – No Renovation or Expansion (Status Quo):

This option assumes no expansions or renovations to J.L. Grightmire Arena. Approximately \$2M would be available for other facility repairs from the \$2M approved to date for the J.L. Grightmire Arena Renovation and Expansion.

Facilities Management and Capital Programs (FMCP) staff facilitated the completion of schematic design for the Renovation at J.L. Grightmire Arena. Collaboration between the FMCP project team, Recreation Division, key community stakeholders, Dundas Hockeyville Legacy Project Committee, and the Architect was the key to the successful design development.

J.L. Grightmire Arena Renovation and Expansion lies within a flood plain, one of the designated areas of Dundas which has special consideration to meet the Hamilton Conservation Authority’s (HCA’s) Planning & Regulation Policies & Guidelines. The project team is cautiously optimistic that, through conversation with the HCA and minor design modifications, it can address concerns of renovating and expanding J.L. Grightmire Arena in the flood plain. Schematic design was also further developed into preliminary stages of detailed design.

Pending Council approval, this project includes a 3600 square foot, 3 storey addition, as well as a partial renovation to over 10,000 square feet, on the west face of the existing building. This includes the addition of a new elevator with access all 3 levels. 1200 square feet of increased change room space will be added as part of this project as well as 2400 additional square feet of increased community space. The renovation also includes renovations to the existing west basement change rooms and community space. The new upper level addition will include platform viewing, circulation space, multi-purpose room and future kitchen.

The following is the multi-point rationale for the project recommendations:

- Community Benefit
- Improved Accessibility
- National Profile of J.L. Grightmire Arena
- Good Utilization at this Arena
- Capital Block Limitations

The above rationale for renovation and expansion at J.L. Grightmire Arena is expanded upon in detail within the report.

***Alternatives for Consideration – See Page 10***

## **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** Capital requests outside of the annual capital budget process require that the City revise its Capital Forecasts and the result is that the City would have to increase the planned debt levels and/or push out other planned capital projects. The City's Capital Reserves are not at the levels where they can fund unplanned Capital outside of the Capital Budget Process.

Appendix "B" to Item 1 of GIC Report 16-002 approved by Council January 20, 2016, had a 10-year planned discretionary funding forecast for the rehabilitation of Recreation Facilities in the amount of \$5.1 million. The recommended additional \$4 million non-growth component for the J.L. Grightmire Arena rehabilitation and expansion project would use up a significant part of a 1-year funding allocation and that is why staff recommend debt financing this project over 10-years which would then reduce the forecast discretionary Recreation Facilities Funding Block by \$520,000 for the 10-year period.

The \$4.0 million in debt financing to fund the project budget increase will incur debt charges (principal and interest) of approximately \$520,000 annually over 10 years. The debt charges will be funded from the City's Capital Levy, thereby reducing the amount of discretionary funding available for other projects over the 10 year term. Another financing option would be to borrow the funds from an existing reserve.

Funding in the amount of \$1 million from the Residential Indoor Recreation DC Reserve #110320 was based on the increased square footage of the change rooms and community space. This Reserve has a balance of approximately \$4 million as at March

31, 2016. This project was not included in the 2014 City of Hamilton DC Background Study. That is why staff are recommending that the growth component of the J.L. Grightmire Arena project be included in the next Indoor Recreation Program Area update within the Development Charges Background Study.

**Staffing:** None

**Legal:** All agreements will be in a form acceptable to the City Solicitor.

## **HISTORICAL BACKGROUND**

Council Direction:

Public Works Committee Report PW16044, J.L. Grightmire Arena Renovation and Expansion, responds to item 9.3 of PW Report 16-005, approved by Council March 30, 2016; "That staff be directed to investigate capital renovation and expansion options for the J.L. Grightmire Arena and report back to the Public Works Committee."

In 2015, Renovations to J.L. Grightmire Arena, with \$2M in funding was approved by Council as part of the 2015 capital budget process.

November 14, 2012 represents the project's inception, where preliminary funds for conceptual design of the project and single source to INVIZIJ ARCHITECTS INC., were previously approved by Council. Below is an excerpt from the Council resolution via motion, item 7.2;

"(a) That the upset limit of \$100,000 for the use of the Consultant Roster (Purchasing Policy #9) be waived for the design of the J.L. Grightmire Arena Renovation Project.

(b) That Invizij Architects Inc. be approved as a single source design consultant for the J. L. Grightmire Arena Renovations Project to ensure the project is ready in time for the National Senior Hockey Championships in late 2014."

Progress to Date

Schematic design for the Renovation and Expansion at J.L. Grightmire Arena is complete. The design was the successful result of months of collaboration between the FMCP project team, Recreation Division, key community stakeholders, Dundas Hockeyville Legacy Project Committee, and the Architect. Schematic design was also further developed into preliminary stages of detailed design.

Delays to the project have been reflective of challenges of planning a renovation and expansion to the existing J.L. Grightmire Arena which lies on a flood plain and is land-locked as well as having limited available space on the site for an addition. Staff have identified that the total project costs required to complete renovations and an expansion to J.L. Grightmire Arena are anticipated to exceed available funds remaining in approved Capital Project 7101554510 (J.L. Grightmire Arena Renovation and Expansion).

## Design

The preliminary schematic design has been well received by both the City's Recreational Division and the Dundas Hockeyville Legacy Project Committee. Schematic design was also further developed into preliminary stages of detailed design.

The project includes a 3 storey addition of 3600 new square feet and partial renovation to over 10,000 square feet, on the very west side of the existing 37,000 square foot building. This includes the addition of a new elevator with access all 3 levels. 1200 square feet of additional change room space will be added as part of this project as well as 2400 additional square feet of community space. The renovation also includes renovations to the existing basement west change rooms and west community space.

The lower level addition will include a renovation to all change & referee rooms, circulation space, vestibules & first aid room. A protective skater floor surface will be provided in change and toilet areas. The ground floor addition includes new circulation space, vestibule and washroom renovation, concession, offices and storage. The upper level addition will include platform viewing, circulation space, multi-purpose room and future kitchen.

Besides the elevator and larger change-rooms, the accessibility of the site will be improved with a new exterior ramp and stairs for accessibility which requires removal, design and placement of a new retaining wall slightly west of the existing retaining wall location. The new front entrance doors will be power assisted and the foyer will meet current accessibility standards.

## Exclusions

Certain budget exclusions have been assumed for the recommended option for capital renovation and expansion. These exclusions include but are not limited to the following: parking lot resurfacing/replacement and other site works, renovations on the East side of the building (including Southeast dressing rooms and/or upgrades to accessibility on the East side), walking track, capital lifecycle renewal, phased construction (for phased occupancy). The above items would add to the total project cost if added to the project scope and have not been deemed critical to the success of the project. Therefore, budget for the above items has not been included.

## Schedule

Pre-construction, including detailed design, approvals and tendering is anticipated to require approximately 8 months from the time that an Architect is awarded. Following this, the construction schedule is anticipated to show approximately 12 months from the time of contract award to the time of Occupancy.

Once construction begins, the existing facility will remain closed to the public until initial owner Occupancy / Substantial Performance for the entire completed facility.

## Budget

FMCP was able to determine the project budget utilizing the Hanscomb Limited Class 'C' 2013 Construction Cost Estimate.

The \$7M project budget includes the following break-down:

\$4.8M 2013 construction budget from 2013 class C estimate (excluding flood-proofing)

\$0.3M cost escalation from 2013 to 2016

\$1.0M flood-proofing estimate

\$0.9M permits, design, consultancies, contract administration, fees and contingency

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

### Legislated Requirements

#### Flood Control

J.L. Grightmire Arena Renovation and Expansion lies within a flood plain, one of the designated areas of Dundas given special consideration to meet the Hamilton Conservation Authority's (HCA's) Planning & Regulation Policies & Guidelines. The Conservation Authorities Act was created in 1946 in response to flooding and erosion concerns in the Province of Ontario. The primary function of the Act allows for the creation of Conservation Authorities (CAs) and regulations to control development, interference with wetlands and alterations to shorelines and watercourses.

The project team is cautiously optimistic that, following conversation with the HCA and through minor design modifications, it can address concerns of renovating and expanding J.L. Grightmire Arena in the flood plain. Current solutions include design provisions and an incremental budget for flood control. Flexibility from HCA to be able to design for "active" dry flood-proofing is an item that the project team will be requesting. "Active" dry flood-proofing may include measures such as a water tight wall in the basement, dry flood-proofing the entire building with water tight doors, etc. These requirements of flood control are to be reviewed with HCA and resolved during the detailed design. The costs of these additional measures are anticipated to exceed the class C construction costs estimate by approximately \$1M and are now considered as part of the recommended project budget.

#### Accessibility

The accessibility of the west side of the building will be upgraded, within the footprint of the recommended Renovations and Expansion to J.L. Grightmire Arena. The upgrade shall conform to the latest accessibility standard under 2012 Ontario Building Code (OBC), O.Reg. 332/12, as amended in 2013 to 368/13. Areas of the facility outside the footprint of the proposed renovations and expansion are excluded from the recommended project scope.

Restrictions of the renovation and expansion may arise in order to meet the requirements of the Hamilton Conservation Authority (HCA). There is a possibility that

these restrictions require a change to the current design, for example removal of lower level access by the elevator. The City could expect these concerns to be formally expressed by the HCA during the Site Plan Approval (SPA) process. Based on possible select HCA restrictions during SPA, it would be unlikely that the minimum accessibility standard as outlined in the Ontario Building Code could be met. Staff and the Architect are cautiously optimistic that there is a way to design for HCA considerations, while also meeting current accessibility standards.

At the time of the facility's construction in 1952, Ontario Building Code (OBC) did not require provision for accessibility, nor at the time of the last major renovation in 1982. Ontario accessibility standards for municipalities also do not have a deadline for retrofitting remaining, aging facilities to make them meet today's accessibility standards of a new build. Retrofitting every element of an existing facility, particularly facilities constructed prior to 1997, up to modern accessibility standards in most cases is not feasible without a large renovation or new build. For example, the widening of hallways and adding a 3<sup>rd</sup> washroom, the universal washroom, into an old facility would not be feasible without major cost or constructing a new facility. Ontario accessibility standards for municipalities do not indicate a requirement or deadline for retrofitting pre-existing, aging facilities to make them accessible to today's standards.

New and fully renovated public facilities are expected to meet modern, improved accessibility standards as can be found in the 2012 OBC, O.Reg. 332/12, as amended in 2013 to 368/13. The implication for the City's long term capital planning is to include accessibility in the plan, whenever building a new facility or renovating an existing facility, such as the proposed J.L. Grightmire Arena Renovation and Expansion.

#### Policy Implications

##### Single Source

City of Hamilton Procurement Section recommends issuing a public Request for Proposals (RFP) for an Architect as this would facilitate a competitive and transparent process as per the City's Procurement Policy. A competitive RFP for an Architect is an alternative for Council's consideration. For this project, it is recognized that the design has advanced beyond a standard schematic design with some detailed design completed. The impact of an RFP for Architect at this stage will result in delayed permit application, delayed tender and delayed project schedule.

A single source to INVIZIJ ARCHITECTS INC. was approved November 14, 2012 by Council. This Architect has been a roster consultant under contracts C12-07-14, C12-09-12 and C12-06-10, with the City of Hamilton at set hourly consulting rates. Public Works Committee Report PW16044, J.L. Grightmire Arena Renovation and Expansion recommends renewing this previous Council direction for single source for the remaining detailed design and contract administration. This direction is consistent with Procurement Policy #11, Non-competitive Procurements.

## **RELEVANT CONSULTATION**

The following Departments/Divisions/Sections have reviewed this report and have verified that the data is correct:

- Public Works, Facilities Management and Capital Programs
- Community Services, Recreation
- Corporate Services, Financial Planning and Policy
- Corporate Services, Finance & Administration
- Corporate Services, Access & Equity
- Public Works, Engineering Services, Asset Management
- Planning & Economic Development, Development Planning, Heritage and Design

Corporate Services, Procurement have commented on this report and the comments have been incorporated.

The following external agencies were consulted:

- Hamilton Conservation Authority
- Dundas Hockeyville Legacy Project Committee
- Hockey Associations (Real McCoy's & Blues, & House Leagues)
- Ward 13 Councillor's Office
- Ontario Regulation 368/13 - Amendment to Building Code Accessibility Requirements
- Customer Service Standard (O. Reg. 429/07)
- Accessibility Rules for Municipalities, Ontario
- Accessibility for Ontarians with Disabilities Act, 2005

## **ANALYSIS AND RATIONAL FOR RECOMMENDATION**

J.L. Grightmire Arena is the third busiest arena in Hamilton's municipal system, yet it is also one of six arenas in a 'critical' condition in terms of building condition and deferred capital. While some minor renovations were performed in order to prepare for the Allan Cup hosted at J.L. Grightmire Arena in 2014, the last major renovation since its original construction in 1952 was in 1982.

### **Community Benefit**

Named after James Louis Grightmire (1891-1963), J.L. Grightmire Arena has served a recreational benefit in Dundas for over 60 years. James Louis Grightmire established a bus line between Hamilton and Dundas after the First World War and was quoted



regarding his views of Recreation in Dundas as saying “built for the working man with fees to be kept as reasonable as possible.”

The arena is centrally located on Market St. as a community hub in downtown Dundas, within walking distance for many patrons, as well as being situated on a bus route. For years the community in Dundas has been requesting more community space, improved public accessibility to all levels of the arena and larger change rooms to meet current standards at the J.L. Grightmire Arena. Events such as the annual LobsterFest are hosted by the Rotary club at J.L. Grightmire Arena. The Dundas Hockeyville Legacy Project Committee, along with other community and hockey stakeholders have been actively involved in this facility and planning for this project. HLPT has agreed to contribute to interior fit-ups and showcasing a hall of fame. Hockey teams play out of J.L. Grightmire Arena and include the Junior C team, Dundas Blues and the Senior AAA team, Real McCoy's, as well as numerous community hockey teams as well as Recreational programming offered by the City of Hamilton.

#### Improved Accessibility

The proposed addition and renovation improve Accessibility of this facility through the addition of an elevator, larger accessible changerooms, and accessible foyer/entrance and a ramp.

#### National Profile

Dundas welcomed fans from all over Canada in 2014, as J.L. Grightmire Arena hosted the Allan Cup Senior AAA National Hockey Championships. Attendance at the games, hosted at J.L. Grightmire Arena was reported in excess of 1500, the posted capacity of the rink. These national games aired live on a TSN channel in a packed building. Following the championship, a parade through Dundas delivered the Allan Cup trophy to the arena as TSN cameras rolled. Dundas' home Senior AAA team The Real McCoy's had won the Allan Cup.

Leading up to and following the 2014 Allan Cup, J.L. Grightmire Arena has been recognized as a good size of arena for a semi-pro team, with small ice at 190' x 80', but where one can sit closer to the ice to watch players compete. J.L. Grightmire Arena has been included in subsequent applications to host the Allan Cup and is likely to host again in coming years.

J.L. Grightmire Arena also hosted the Allan Cup in 2002/2003 as well as an NHL exhibition game in 2010 after Dundas was named Hockeyville in a national contest by the CBC.

#### Good Utilization

Aside from large national events such as the Allan Cup, ongoing prime time utilizations by public at the arena are running at 82% which is considered to be a good utilization. The addition of more community space through the expansion has potential to increase and diversify community utilization at this downtown facility and optimize the facility during all hours that it is available to the public.

### Capital Block Limitations

There is a large, growing annual gap between available capital block funding and infrastructure renewal requirements in FMCP at the City of Hamilton. In 2016, there will be a deferred capital renewal backlog, at facilities managed by FMCP of approximately \$105M. This gap continues to grow at the rate of approximately \$10M per year. This includes the capital backlog at the over 500 facilities managed by FMCP, but does not include upgrades for accessibility, expansions or new facilities. There is also an observed gap between available capital block funding, available DC funds and expansion and new construction requests. In the presence of these internal fiscal limitations and long lists of facility needs, prioritization of capital work becomes extremely important. The J.L. Grightmire Arena Renovation and Expansion ranks lower relative to the forecast block for 2017 and 2018 projected projects, therefore it is likely to be categorized as “not included” in the block funded projects, until such time as there is an increase to block funding for Recreation and FMCP.

### ALTERNATIVES FOR CONSIDERATION

As per Council direction, this report focusses on examining capital renovation and expansion options for the J.L. Grightmire Arena.

#### Option 1 - Renovation and Expansion (\$7M Total Cost)

In 2015, Renovations to J.L. Grightmire Arena, with \$2M in funding was approved by Council as part of the 2015 capital budget process. If Council approves the additional \$5M required, the \$7M total cost would consist of \$900,000 in permits, design, consultancies, contract admin, fees and contingency and \$6.1M in construction costs.

#### Option 2 – No Renovation or Expansion (Status Quo)

This option assumes no expansions or renovations to J.L. Grightmire Arena. Approximately \$2M would be available for other facility repairs from the \$2M approved to date for the J.L. Grightmire Arena Renovation and Expansion. J.L. Grightmire Arena can be left in its originally constructed format, status quo, which was deemed to be in compliance with Ontario Building Code (OBC) at the time of the 1952 facility construction and 1982 major renovation. This alternative misses an opportunity to improve the facility and provide community benefit.

Besides the status quo option or the recommended option for capital renovation and expansion, an incremental alternative can be added to the renovation and expansion to include the deferred capital items for the J.L. Grightmire Arena. This represents more than \$2.5M in additional capital costs (including soft costs) of deferred capital replacement backlog at this site, prescribed prior to the anticipated project completion in 2018. With the temporary disruption to programming and closure of the facility during construction, it is optimal and economical to complete the infrastructure renewals to the facility at the same time as the expansion and renovation as part of one package.

As fourth and fifth alternatives, staff could explore other opportunities in Dundas such as the construction of a new arena in Dundas, which would require the purchase of land

plus construction costs in excess of \$14M. Twinning and expansion of Olympic would cost greater than \$12M, based on cost escalation from 2010 twinning of Morgan Firestone (at \$10.275M).

An alternative to exercising a Procurement Policy #11 and single sourcing INVIZIJ ARCHITECTS INC. would be to issue competitive a RFP for an Architect. As mentioned previously, City of Hamilton Procurement Division prefers a public Request for Proposals (RFP) for an Architect, because it is clearly a competitive and transparent process. For this project, it is recognized that the design has already advanced beyond a standard schematic design with some detailed design completed. The impact of an RFP for Architect at this stage would mean a delay to the project schedule, therefore RFP is not recommended by the project team.

## **ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN**

### **Strategic Priority #1**

A Prosperous & Healthy Community

*WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.*

#### **Strategic Objective**

- 1.2 Continue to prioritize capital infrastructure projects to support managed growth and optimize community benefit.

### **Strategic Priority #2**

Valued & Sustainable Services

*WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.*

#### **Strategic Objective**

- 2.2 Improve the City's approach to engaging and informing citizens and stakeholders.
- 2.3 Enhance customer service satisfaction.

## **APPENDICES AND SCHEDULES ATTACHED**

Appendix A – Schematic Design Drawings