



**CITY OF HAMILTON**  
**PUBLIC WORKS DEPARTMENT**  
**Energy, Fleet and Facilities Management Division**

<b>TO:</b>	Chair and Members Public Works Committee
<b>COMMITTEE DATE:</b>	June 4, 2018
<b>SUBJECT/REPORT NO:</b>	Ancaster Tennis Bubble (PW17089a) (Ward 12) (Outstanding Business List)
<b>WARD(S) AFFECTED:</b>	Ward 12
<b>PREPARED BY:</b>	Robyn Ellis (905) 546-2424, Extension 2616  Sarah Cellini (905) 546-2424, Extension 3859  Steve Sevor (905) 546-2424, Extension 4645
<b>SUBMITTED BY:</b>	Rom D'Angelo, C.E.T.;CFM Director, Energy, Fleet and Facilities Management Public Works Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That the City's capital cost of the Ancaster Tennis Bubble, in the amount of \$290,000 loan and \$60,000 capital contribution, be referred to the 2019 Capital Budget (GIC), for consideration against all Recreation Facility and City-Wide capital priorities as part of the 2019 capital budget process;
- (b) That the matter respecting the Ancaster Tennis Bubble be removed from the Public Works Outstanding Business List.

**EXECUTIVE SUMMARY**

Council directed staff to report back regarding the Ancaster Tennis Bubble to address the Outstanding Business List item. This matter is a follow-up to the letter from the Ancaster Tennis Club (ATC) received by Council February 14, 2018, attached to Report PW17089a as Appendix "A" and as a follow up to staff Report PW17089 Ancaster Tennis Bubble at the November 13, 2017 Public Works Committee.

There is significant staff question in the analysis section of Report PW17089a regarding the recreational demand for adding this new amenity. However, there also is significant support from the ATC membership and board, including financial support. There are a number of competing considerations on this project as follows:

1. ATC financial contribution with member and board support; and,
2. Question of recreational demand for this amenity; and,
3. Serves larger geographical area.

Given all factors in this analysis, staff recommend that this project be deferred for consideration for comparison and consideration in overall priority against all the other City-wide capital priorities as part of the 2019 capital budget process.

***Alternatives for Consideration – See Page 7***

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: The loan to ATC of \$290,000 and City capital funding of \$60,000 is required to complete the Ancaster Tennis Bubble as described in Report PW17089a:

Table 1: Estimated Bubble Capital Costs and Proposed Funding Source

Item	Budget	Proposed Funding Source
Bubble Cost (*Amortized into Annual 10 year Lease cost of \$60,000)	\$450,000 *	ATC
Foundations & Structural	\$200,000	City Loan to ATC
Site work, Electrical, Fence	\$125,000	ATC
Permit Engineering, & Contract Admin & Permit Fees	\$90,000	City Loan to ATC
Project Contingency	\$75,000	ATC
Geotechnical, & Survey & Internal Costs	\$60,000	City capital funding
Total	\$1,000,000	

Table 1 above is a summary of the estimated project and proposed funding sources. For a summary of the additional annual operating costs to ATC for the bubble, please see Table 2 below. ATC has indicated in their business plan that they are in agreement to pay these costs, with the exception of utilities, which they will request that the City of Hamilton pay. The increase in utility cost due to the Ancaster Tennis Bubble is unknown but is not anticipated to exceed \$10k per year.

Table 2

Summary of ATC's agreed upon Annual Operating Costs for Bubble

Annual Bubble Lease Cost:	\$60,000
ATC Staff & Pro Incremental Salaries	\$91,000
Annual Repairs & Maintenance	\$10,000
Annual Bubble Assembly & Disassembly	\$8,500
Website, Credit Card, Accounting	\$7,800
Annual Insurance	\$4,200
Snow Removal	\$2,200
Special Events	\$2,000
Other	\$2,000
Court Cleaning	\$1,600
Telephone & Bank	\$1,300
Subtotal	\$190,600
ATC Funding (membership & court fees)	-\$190,600
Net Operating Cost Impact (to City)	\$0

This does not include consideration of the approximately \$30,000 annual principal and interest repayment for the requested \$290k loan from the City, an annual cost which ATC has indicated they are able and willing to pay.

**Staffing:** There are no new staffing implications associated with this report. Ancaster Tennis Club indicates that they have budgeted for the necessary increase in winter staffing within their business plan.

**Legal:** There are no new legal implications associated with this report. However, should this project be approved as part of the 2019 capital budget process, staff cannot negotiate or enter a cost-contribution agreement with ATC for their contribution to the Bubble without first receiving Council direction and authority to do so.

The Procurement By-Law governs how City Staff procure goods and services at City sites. Standard clauses in procurement documents and contracts used by City Staff cover off standard risk, liability, constructor considerations (under the *Occupational Health and Safety Act (OHSA)*) and the City's labour obligation considerations. All agreements that staff are directed to enter into are in a form acceptable to the City Solicitor. However, there are currently no provisions which govern the procurement practices of Community Groups such as ATC and their procurement of the Tennis Bubble. It is unclear at this time whether levels of risk in terms and conditions between ATC and their vendor may incur possible risk to the City.

## **HISTORICAL BACKGROUND**

October 3, 2016, at Public Works Committee City staff was asked to report back on the feasibility of a Tennis Bubble for ATC at Village Green Park through Notice of Motion, later approved by Council. Staff spoke with ATC, gathered information and completed

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due diligence work with a licensed Architect. This information and due diligence was reported back to Council Committee.

November 13, 2017, staff reported their findings to Public Works Committee in Information Report PW17089 Ancaster Tennis Bubble (Ward 12).

December 2017, Recreation and Facilities staff met with ATC and reviewed their Business Plan for the Dome.

February 14, 2018, Council received a letter from the Ancaster Tennis Club (ATC) addressed to Mayor Fred Eisenberger and Members of Council outlining the benefits of constructing the air-supported structure (Dome/Bubble) over the five hard surface courts located on City owned lands in Village Green Park behind the Ancaster Library. A Council motion was also passed February 14, 2018 which directed Staff to report back to Council Committee regarding the Ancaster Tennis Bubble.

February 22, 2018, Recreation and Facilities staff met with ATC to discuss details of the project and an update on their funding sources. ATC notified staff that they intend to apply for Minor Site Plan in 2018 and progress to construction in 2019 (if approved by the City).

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

### **Public Use of the Tennis Bubble**

There is no policy directive regarding public use of facilities. However, it has been practice to ensure that if public funds are being used in relation to a recreational facility, staff ensure that there the public are benefitting in some manner. In similar situations, staff negotiate public access to the facility in a manner that is mutually acceptable to the City and the contracted facility operator.

### **Negotiating an Agreement with ATC**

Staff cannot negotiate or enter an agreement with ATC for their contribution to the Bubble without Council direction and authority.

### **Procurement Policy**

The Procurement By-Law governs how City Staff procure goods and services at City sites. Standard clauses in procurement documents and contracts used by City Staff cover off standard risk, liability, constructor considerations and labour obligation considerations. However, there are currently no provisions which govern the procurement practices of Community Groups such as ATC.

ATC has conducted industry research with different vendors and identified a vendor that they wish to enter into a long-term lease with for the Tennis Bubble. The total value of the lease is approximately \$450k to a single vendor over 10 years. There are currently no provisions which govern the procurement practices of Community Groups such as ATC at City sites.

### **Facility Design**

The facility design being implemented is in compliance with all existing Corporate and Provincial policies and procedures (e.g. The Accessibility for Ontarians with Disabilities Act (AODA), Ontario Building Code (OBC), etc.).

#### Site Plan and Building Permit

The facility design being implemented is will be required to follow Site Plan and Building Permit processes in accordance with processes under the purview of Planning and Economic Development, the Planning Act and Ontario Building Code.

### **RELEVANT CONSULTATION**

The following Departments / Divisions / Sections have reviewed and contributed to this report:

#### Healthy and Safe Communities (Recreation):

- Authored the sections regarding the Recreational demand for this amenity, drawing from Recreation's Indoor Use Study and Outdoor Use Study.

#### Public Works (Landscape Architectural Services):

- Reviewed the report from an Outdoor Recreation perspective and a historical background of Tennis Courts in Ancaster.

#### Corporate Services (Procurement):

- Reviewed the procurement aspects of the report.

#### Corporate Services (Finance Administration & Financial Planning and Policy):

- Was engaged in reviewing the financial section of the report, as well as financial recommendations

Staff from Healthy and Safe Communities, Recreation and Public Works, Facilities worked collaboratively to gather and analyse the information presented in the report.

All staff that have contributed to this report recognize that there is a significant question regarding the recreational demand for adding this new amenity, particularly among competing capital priorities City-Wide. As a counterpoint to this question, there is significant support from the Ancaster Tennis Club (ATC) membership and board, including significant pledges of financial support.

Recreation and Public Works staff has consulted with ATC at length. This organization presented a detailed business case to Recreation and Facilities staff. The business case is based on additional membership fees to current members by extending memberships to winter once the Ancaster Tennis Bubble is operational and additional court fees for winter play by non-members. ATC has reported their current membership level 630, of which 32% are juniors and they anticipate that this membership number will increase once a winter amenity becomes available.

ATC's membership values the opportunity for enjoyment of the sport year-round. They report that waiting lists at nearby indoor Tennis facilities are prohibitive due to volume.

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Also, ATC enjoys serving a membership from a much wider geographical area beyond Ancaster and including Flamborough, Dundas, Waterdown and Greenville.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

There is significant staff question regarding the recreational demand for adding this new amenity. However, there also is significant support from the ATC membership, including financial support. This presents a number of conflicting factors when analyzing this project as follows:

### **ATC Financial Contribution with Member and Board Support**

ATC's Board of Directors (7 members) have voted unanimously in support of the project. This includes financial support of the lease of the \$450k Tennis Bubble over 10 years, as well as \$200k capital contribution to the construction and site works, \$100k reportedly collected to date (in the form of loans from members), as well as repayment of the proposed loan to the City of Hamilton over 10 years with interest. ATC is seeking out other funding sources and grants such as the Ontario Trillium Fund, which it will apply for in 2019.

### **Question of Recreational Demand for this Amenity**

There is one existing Tennis Bubble amenity on lands owned by the City of Hamilton, Rosedale Tennis Club located in Gage Park. The only other indoor Tennis facility in Hamilton is a private facility in Ancaster: Lada Tennis School (2 courts). Also within the vicinity of Hamilton, Burlington offers two indoor tennis facilities that are subject to membership fees: Aldershot Tennis Club (4 courts), Cedar Springs Health Racquet and Sports Club (11 indoor courts).

The closure of indoor Tennis Facilities at the Jewish Community Centre (JCC) site in Ancaster has been attributed by ATC, in the consultation section of this report, to an increase in demand for an indoor Tennis Amenity in Hamilton. Yet Recreation staff review in 2015 of the potential sale of the Jewish Community Centre site (which had both indoor and outdoor tennis courts) to determine need to acquire the site, concluded that the acquisition by the City of Hamilton would not be supported.

Recreation's Outdoor Study (2011) did not recommend direct municipal provision of providing "bubbling" of outdoor amenities outright. Although direct municipal investment was not recommended for indoor tennis, bocce or lawn bowling facilities, it could be considered in partnership with local community-based clubs, including but not limited to the following reasons:

Demand for these specialized indoor facilities is quite small. From the household survey, 22% of households support additional spending on indoor racquet / tennis facilities (ranking them 20<sup>th</sup> out of 26 facility types) and 11% support additional spending on indoor lawn bowling or bocce courts (ranking them 24<sup>th</sup> out of 26 facility types).

ATC, which worked with the City to redevelop and expand tennis facilities in Village Green Park (reoriented the three existing courts and adding two more) – had previously considered the possibility of erecting an air-supported dome during the winter. Village

Green Park is located in downtown Ancaster and is one of only a few parks offering green space in the area. Recreation's Outdoor Use study supported that completed renovation and expansion. However, the installation of an air-supported dome was not supported at this location by the study.

The Outdoor Study identified provision targets for City-wide Sport Fields and Other Outdoor Recreation Facilities; specifically, Indoor Sports Facilities (bubbling) have a recommended provision target of 1 private/public facility for every 1,000 regular peak-season participants (estimated); municipal provision may be dependent on other factors including partnerships. ATC reports a membership of 630 which does not appear to support the Indoor Sports Fields provision target. However, it may be argued that membership may increase with winter amenity availability, including identified Dundas Tennis members, as well as players from the surrounding geographical area.

#### **Serves Larger Geographical Area**

Recreation staff have observed that if a facility type is limited in existence, by default it would serve a larger geographical area provided that the users are willing to travel to participate (i.e. pump track, arenas, indoor tennis, etc.).

ATC has identified that a winter tennis facility in Village Green Park would serve not only Ancaster tennis players, but also those living across Hamilton, particularly the western portion of the City, including Flamborough, Dundas, Waterdown and Greensville. Dundas Tennis Club members have pledged funds to ATC in support of winter tennis play. ATC has reported receiving daily inquiries from Hamilton area citizens, who play at other summer clubs, asking when the Tennis Bubble will be ready for playing tennis.

#### **ALTERNATIVES FOR CONSIDERATION**

One alternative location for the bubble identified in Recreation's Outdoor Use Study (2011) was as follows: "Should the Ancaster Tennis Club be interested in the establishment of an indoor/outdoor tennis complex and be willing to contribute appropriate funds to the project, the recommended alternative is to relocate the tennis courts to the Ancaster Community Centre Park. It is recognized that the addition of tennis courts and a dome at this site may result in the loss of an existing sports field; site design options are required to determine the proper placement of the courts at this location." Staff has not investigated the feasibility of this request to understand the difference in financial implication of this option. This option would likely have additional capital and operating costs beyond those identified in this report, including the cost of constructing new tennis courts, renovating existing courts. Therefore, Ancaster Community Centre Park would be a higher cost than the Village Green Park option identified in this report. Staffing and Legal implications would not change from the Village Green Park option identified in this report. There may be additional permitting options at Ancaster Community Centre Park relating to the Niagara Escarpment and Hamilton Conservation Authority.

Another alternative from a financial standpoint is to defer the project to a later capital budget year. The project was identified in the 2018 capital budget in the forecast for

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Ward 12 for 2023. The project can be deferred until 2023 when ATC's membership numbers can be re-evaluated to see if their membership has grown to meet the provision target of 1,000 regular peak-season participants (estimated). There is no difference in financial, staffing or legal implications from this alternative, except that the cost would be deferred to a later year.

The last alternative is status quo and to ultimately decline ATC's project request. Declining the request does not have negative Financial, Staffing or Legal implications for the City. Capital funds would be saved with this alternative from the Taxpayer and City's point of view. The \$60k in capital funds and \$290k in debt capacity could be leveraged to address other capital priorities for Recreation Facilities City-wide. This alternative does not harness the opportunity presented by the significant ATC financial contribution with strong pledges of member and board support.

## **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

### **Built Environment and Infrastructure**

*Hamilton* is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

### **Our People and Performance**

*Hamiltonians* have a high level of trust and confidence in their City government.

## **APPENDICES AND SCHEDULES ATTACHED**

Appendix A - Ancaster Tennis Club Letter to Council