

INFORMATION REPORT

TO:	Chair and Members West Harbour Development Sub-Committee
COMMITTEE DATE:	February 26, 2019
SUBJECT/REPORT NO:	Status of West Harbour Implementation (PW17075b) (City Wide)
WARD(S) AFFECTED:	City Wide
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SIGNATURE:	

COUNCIL DIRECTION

Not Applicable.

INFORMATION

❖ Overview

The purpose of this report is to provide Council an update to report PW17075a “Status of West Harbour Implementation”, submitted to West Harbour Development Sub-Committee on April 10, 2018.

❖ Pier 8 Projects

Since April 2018, staff has been engaged in finalizing the engineering designs, preparing tender documents, and starting construction of the four major infrastructure required to support development on Pier 8:

1. Pier 8 Shorewall Rehabilitation (under construction);
2. Pier 8 Servicing (in tender period);
3. Pier 8 Sanitary Pumping Station (in tender period); and
4. Copp’s Pier (formerly Promenade Park - tender package prepared)

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➤ Pier 8 Schedule

The original construction schedules for the Pier 8 projects anticipated that each of the above-noted contracts would be under construction in 2018; however, for several reasons schedules for these projects have shifted from what was reported previously because of unanticipated events:

- a) **Floating Breakwater Failure:** A severe late winter storm in mid-April 2018 resulted in a major failure of the marina floating breakwater and subsequent damage to the new marina docks installed in 2017. With the imminent onset of the boating season it was imperative that Waterfront Development Office (WDO) staff direct emergency repairs to the infrastructure to minimize impacts to marina operators through the 2018 season. The breakwater which was still under warranty at the time of the storm event also required significant staff effort relating to exercising the City's rights under the contract to ensure that its repair/replacement was expedited, completed at no cost to the City, and that the City can recover costs incurred as a result of the failure.
- b) **MacDonald Marine Site Clearing:** The lease of City lands belonging to MacDonald Marine on Macassa Bay expired in May 2018; however, the business owner had not taken any steps to wind down his business and clear the site prior to the expiry as required by terms of the lease. This included not advising boat owners of the need to vacate the property. At the time of lease expiry there were over 100 boats on the property. Given the importance of clearing the site in advance of moving the Police Marine Unit to the property, staff expended significant effort to facilitate the boat removal but also boats in which owners reside full-time, known informally as "Live Aboards". In June 2018, Council directed staff to work with approximately 15 Live Aboard boaters to develop a transition plan that would allow them to stay through the winter of 2018/19 given that living on a boat is not a permitted use in Hamilton and that they would have to find a new municipality to live in if they were going to remain living on their boats. Work clearing the site is nearing completion with all boats removed and only portable buildings, floating docks, and a boat crane remaining on the site.
- c) **Design Complexity and Cost Inflation:** As designs of individual projects on Pier 8 were being finalized in 2018 it became apparent that because of their close proximity to each other there would be additional design coordination required to ensure that each project could be built as planned and reduce the likelihood of cost escalation caused by making changes in the field (i.e. during construction). In particular, shifting the sanitary pumping station closer to the water's edge from its original location introduced several conflicts with elements of the shorewall, park, and municipal servicing which required changes to pre-

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design assumptions. In addition, detailed cost estimates completed as part of the design projected a budget shortfall on two of the projects (driven in part by cost indexing) so additional time was taken to revisit decision points, assess options and confer with senior staff. Ultimately staff reported to Council in September 2018 (PW18079) with recommendations that would allow the projects to be tendered in advance of the 2019 Capital Budget approval if tenders resulted in a budget shortfall.

➤ Pier 8 Development Ready - Overall Timing

Given the physical inter-relationship and proximity of the projects, there is a requirement to stage the projects to optimize the overall construction schedule and allow for projects to proceed concurrently. The general starting order and sequence of the Pier 8 projects is:

- a) Pier 8 Shorewall Rehabilitation [December 2018 – May 2019]
- b) Pier 8 Servicing (water, sewers, utilities, roads) [April – October 2019]
- c) Pier 8 Sanitary Pumping Station [May 2019 – September 2020]
- d) Copp's Pier (formerly Promenade Park) [spring 2019 – May 2020]
- e) Pier 8 Gateway Park [October 2019 – May 2020]

Note: timelines are estimates; project start dates assume a typical tendering/procurement process and project duration is based on historical experience and input from industry experts.

As noted, the project start dates are later than originally scheduled; however, the primary driver for project delivery is to meet time lines of the concurrent West Harbour Real Estate Solicitation Process for the Pier 8 lands, being led by Planning and Economic Development staff. City Staff are presently engaged in contract negotiations with the Preferred Proponent (Waterfront Shores) which will lead to the execution of a formal Development Agreement. This agreement, which will guide the execution of the development to full build-out, is expected to be approved by the end of Q1 2019. Zoning approval is also to be obtained from the Local Planning Appeal Tribunal (LPAT) by the end of 2019, and the developer will ultimately require Site Plan approval from the City, expected to occur sometime in 2020.

Based on this timeline, staff anticipates that Pier 8, with the majority of work expected to be completed in 2019, will be Development Ready (fully serviced) in time for the developer to apply for building permits in 2020/21.

➤ Copp's Pier (formerly Promenade Park)

Formally named in 2018 (refer to PW18070) and subject to an international design competition, Copp's Pier is expected to be a crowning jewel of the waterfront redevelopment effort. The design is complete and is ready to tender; however, staff has postponed the tendering subject to proposed Bill 66 legislation which could be favourable to the City in terms of project costing.

Provisions within Bill 66 would deem municipalities, school boards, hospitals and other public bodies "non-construction employers". For the City, that would mean removing the requirement that the general contractor on the Copp's Pier project be signatory to the United Brotherhood of Carpenters and Joiners of America. As a result, the proposed change in legislation allows for completely open tendering, from non-union companies or union companies. Historically, it has been found that with the signatory requirement in place park project costs are typically about 20% higher than would be expected in a completely open market. For Copp's Pier this could equate to \$1M in savings demonstrated through bids received being lower than the certified cost estimate.

Bill 66 had its first reading on December 6, 2018 and is expected to be before the Legislature again in February for second reading. If the bill receives Royal Assent (with provisions regarding "non-construction employers) in a timely manner, staff will tender the project immediately and do not see an adverse impact to the overall project delivery schedule. It is important to note the completion of the project is an obligation of the City to the developer of Pier 8, so if approval of the Bill is delayed such that it could impact the ability of the City to meet its obligation with the developer staff will tender the work with the Carpenter's Union requirement.

❖ Piers 5-7 Redevelopment

In conjunction with Pier 8, work has continued with implementing the West Harbour Recreation Master Plan (WHRMP) on Piers 5-7 in partnership with the Hamilton Waterfront Trust (HWT), including the planned relocation of the Police Marine Unit to Macassa Bay from Pier 7. The project is comprised five major components:

1. Shorewall rehabilitation
2. New boardwalk (Phase 1) and fish habitat
3. New waterfront trail with new public spaces
4. Multi-purpose public buildings (Artisan Village)
5. Public Art installation at the foot of James

Originally planned to start in fall 2018, the current schedule for construction anticipates that following building demolition and installation of water and sewer mains by the City this spring, shoreline reconstruction and boardwalk construction with fish habitat (Items 1 and 2) will start in July 2019 and completed in May 2020. Construction of the waterfront trail with public spaces on Piers 6 and 7 (Item 3) complete with shade structures and sitting areas is intended to start soon after the shoreline work begins and be completed by the end of 2020.

Items 1 through 3 above are significant works so a certified cost estimate is being prepared to assure that the design of each component of the redevelopment plan is affordable (i.e. within the approved budget) prior to being tendered. If the design is found to be in excess of the available budget, then the HWT will be asked to investigate options that fit within the approved budgets. This could mean eliminating certain elements in a design; e.g. a shade structure or seating area or could mean changing materials to something more affordable; e.g. galvanized steel over stainless steel. If tender bids received exceed the approved budget, the project start dates may be delayed; however, similar to Copp's Pier, as a City funded project, Piers 5-7 should benefit from proposed Bill 66 legislation regarding unionized labour.

In addition, the plan for the boardwalk (Item 2) includes three (3) pedestrian bridges which are still subject to a future capital budget approval and as such will be undertaken as a future phase of construction. Functional design level cost estimates for the three bridges total \$4M (2018 dollars) with funding requirements identified in the capital budget forecast in 2020 and 2021.

Also of importance is the Artisan Village (Item 4). It has been found that the original plan to re-purpose the two Port Authority buildings into multi-purpose public buildings is not practicable both because of change in building and fire code requirements and that they need removing in order to complete the shorewall and boardwalk construction. In that respect, the funding allocation is deficient if they need to be replaced with two new buildings. To resolve the issue, staff and the HWT will review possible changes to the Artisan Village plan at this location which could include eliminating one of the proposed buildings and combining the available financial resources into one facility. In the interim, because their removal is necessary to start construction of the shorewall, the public should expect to see this area vacant of buildings until a revised plan is developed and approved with funding.

Finally, a public art installation (Item 5) is planned to be installed at the foot of James Street as part of the site redevelopment. The art feature will be completed in accordance with the City of Hamilton's Public Art Master Plan process detailed in the Public Art Call for Artists Policy and is expected to be ready for installation by spring 2020.

❖ Police Marine Unit

The Police Marine Unit on Pier 7 is to be relocated to Macassa Bay in accordance with the West Harbour Waterfront Recreation Master Plan. The Piers 5-7 redevelopment schedule has necessitated the need to move the Police Unit into a temporary facility at the former MacDonald Marine site until the Macassa Bay shoreline is rehabilitated and a new permanent Marine Police Unit building is constructed along the water's edge. Currently the new facility is identified in the West Harbour capital budget forecast slated for design in 2020 and construction in 2021.

As mentioned, the former MacDonald Marine site is mostly clear and presently will be receiving a new temporary portable building and dock facility in time for the 2019 boating season. Staff has been working closely with the Hamilton Police Service to ensure a seamless transition to its new location on the waterfront.

❖ Parking Garage Location Study

Completed as a requirement of the Setting Sail Secondary Plan, the Waterfront Parking Strategy (2017) supports both City goals for expanded public spaces and development on the waterfront. Recommendations of the study have affirmed the need for a parking structure which was originally identified in the WHWRMP at the Bayview Park site. Given the expense of structured parking combined with Bayview Park's contaminated soil conditions and its limited ability to accommodate the forecast parking demand, staff is undertaking a more comprehensive investigation of potential sites for a parking garage across the waterfront to ensure a suitable location is found.

Through 2018, preliminary scoping and site investigation was undertaken as inputs to a Terms of Reference being prepared by staff for the study. An RFP is intended to be released in early 2019 and when complete the study will identify the preferred location for the structure as well as the development of a preliminary design, an implementation schedule, and financial model. The study is expected to take approximately one year to complete.

Capital Budget Status

Subject to approval of the 2019 Capital Budget, the 2013-19 West Harbour Initiatives Capital Budget totals approximately \$96 million across 32 projects. On September 5, 2018 Council approved Report PW18079 which alerted Council to the potential cost increase for the capital works on Pier 8 and recommended the need to proceed with tenders for one hundred percent of the work required for the four major projects with any additional funding required to be processed through the 2019 Capital Budget.

The Pier 8 Shorewall Rehabilitation tender closed in September 2018. The low bid (\$14.2M) was in excess of the approved budget, but was \$1.3M lower than the pre-tender estimate; an otherwise favourable outcome. Subject to receiving competitive bids on the three remaining major Pier 8 projects, the servicing required to make Pier 8 development-ready can be completed within the budget envelope identified in the proposed 2019 Capital Budget.

For the Piers 5 to 7 Redevelopment, as noted previously, a certified cost estimate is being prepared by the HWT for the shoreline, boardwalk, trail and public space components of the project. Until the estimate is received by staff, it will not be clear if these works can be completed within the approved budget envelope. A projected budget shortfall has already been identified associated with the component of the redevelopment plan to re-purpose the two Port Authority buildings into multi-purpose public buildings that will require that staff assess various options for Council's consideration. Similarly, if a budget shortfall is projected for the shoreline, boardwalk, trail and public space components, staff will assess options for Council's consideration.

APPENDICES AND SCHEDULES ATTACHED

N/A