




Hamilton

# INFORMATION REPORT

<b>TO:</b>	Chair and Members West Harbour Development Sub-Committee
<b>COMMITTEE DATE:</b>	September 9, 2019
<b>SUBJECT/REPORT NO:</b>	Status of West Harbour Implementation (City Wide) (PW17075c)
<b>WARD(S) AFFECTED:</b>	City Wide
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<b>SUBMITTED BY:</b>	Gord McGuire Director, Engineering Services Public Works Department
<b>SIGNATURE:</b>	

## COUNCIL DIRECTION

Not Applicable.

## INFORMATION

### OVERVIEW

The purpose of this report is to provide Council an update to report PW17075(b) "Status of West Harbour Implementation", submitted to West Harbour Development Sub-Committee on February 19, 2019.

### PIER 8 PROJECTS

Since February 2019, staff has been engaged in finalizing tender documents and construction of four major infrastructure projects required to support development on Pier 8:

1. Pier 8 Shorewall Rehabilitation (awarded and under construction);
2. Pier 8 Sanitary Pumping Station (awarded and under construction);
3. Pier 8 Servicing (awarded and under construction); and
4. Copp's Pier (formerly Promenade Park – in tender period)

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#### PIER 8 PROJECTS SCHEDULE AND OVERALL TIMING

As reported in PW17075(b), the original construction schedules for the Pier 8 projects anticipated that each would be under construction in 2018; however, for several reasons schedules for these projects have shifted because of unanticipated events in 2018 that strained available resources:

- Floating breakwater failure (caused by April 2018 storm)
- MacDonald Marina site clearing and Liveaboard Boaters Transition Plan
- Project design complexity and cost inflation

Record high water levels in 2019 have further exacerbated the schedule requiring construction of the shorewall to stop in May which in turn affected the start date of the pumping station. The delay in shorewall completion also affects the start of Copp's Pier as it cannot start until the shorewall is, for the most part, complete.

The current schedule for all Pier 8 projects is:

- a) Pier 8 Shorewall Rehabilitation [complete by end of Q4 2019]
- b) Pier 8 Servicing (water, sewers, utilities, roads) [complete by mid Q2 2020]
- c) Pier 8 Sanitary Pumping Station [complete by end of Q3 2020]
- d) Copp's Pier [start Q4 2019; complete by end of Q3 2020]
- e) Gateway Park [follows servicing - start Q2 2020; complete by end of Q3 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. Waterfront projects to date have been affected by weather and water level related issues.

Although there has been slippage in the schedule in 2019, delays in project delivery are still not expected to delay the overall Pier 8 redevelopment plan as the primary driver for project delivery is to meet time lines of the concurrent land disposition process Planning and Economic Development staff are leading. Major components of the Land Disposition Process include: Council approval of the Development Agreement with the Council approved Preferred Proponent for the Pier 8 Development Opportunity (Waterfront Shores Corporation), Zoning approval to be obtained from the Local Planning Appeal Tribunal (LPAT) with hearing dates set for October 2019, and the developer ultimately obtaining Site Plan approval from the City which could occur as early as 2020.

Based on this timeline staff anticipates that Pier 8, even with the recent delays caused by high lake levels, will be development-ready (fully serviced) in time for the developer to apply for building permits in 2020/21.

#### COPP'S PIER (FORMERLY PIER 8 PROMENADE PARK)

Staff postponed the tendering of the project this past spring subject to approval of legislation within Bill 66 which deemed municipalities, school boards, hospitals and other public bodies "non-construction employers". For the City, this means 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 and could equate to significant savings. In addition, tendering was postponed because of the potential effect high water levels could have on the cost of the project and the construction schedule.

The project is in the tendering period now and subject to acceptable bids and available capital funds, the project will start upon completion of the shorewall rehabilitation.

#### 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 redevelopment project is comprised of five major components:

- |  |                        |
|--|------------------------|
| 1. Shorewall rehabilitation                              | (Phase 1 construction) |
| 2. New boardwalk and fish habitat                        | (Phase 1 construction) |
| 3. Waterfront trail / public spaces / pedestrian bridges | (Phase 2 construction) |
| 4. Public Art installation at the foot of James          | (Phase 2 construction) |
| 5. Multi-purpose public buildings (Artisan Village)      | (Phase 3 construction) |

#### PHASE 1 CONSTRUCTION

Originally planned to start in fall 2018, a revised schedule for construction received from the HWT, shows Phase 1 construction including shoreline reconstruction and boardwalk construction with fish habitat (Items 1 and 2 above) starting in 2019 and completed in May 2020; however, a cost estimate received for Phase 1 construction has identified a \$11.5M shortfall. HWT has been requested to consider options, including design changes, to reduce the shortfall; however, it is unlikely that design changes alone will eliminate the shortfall, thus the projects require increased funding.

Options to consider for addressing the budget shortfall for the Piers 5-7 projects include:

- design changes to lower the cost;
- increasing the capital budget;

- deferring other West Harbour projects to allow funding to be directed to Piers 5-7; or
- any combination of the three.

Design changes to reduce the shortfall 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 in place of stainless steel; however, changes with a greater cost impact will be required if significant reductions are to be found. For example, significant savings could be found by making minor adjustments to the shoreline and boardwalk configuration.

The shortfall could also be addressed through the Capital Budget by either approving new funding in 2020 to close the gap and/or deferring other planned West Harbour projects.

Following Piers 5-7, the West Harbour Implementation Plan includes several projects from the approved WHWRMP that are planned to enhance existing public amenity space along the shoreline. These include:

- Bayfront Park (Total Capital Budget \$7.8M)
  - Phase 1 – Children's Play Area (\$500K)
  - Phase 2 – Upgraded / new washrooms, play areas, shelter, concessions, bistro, canoe storage, walkways, picnic pavilion (\$6.5M)
  - Phase 3 – Entrance Fountain (\$540K)
  - Public Art (\$260K)
- Macassa Bay (Total Capital Budget \$12.7M)
  - Shoreline Rehabilitation (\$5.4M)
  - Waterfront Trail & Boardwalk (\$7.1M)
  - Public Art (\$160K)
- Pier 4 Park (Total Capital Budget \$1.4M)
  - Gartshore Building, Trail & Pathway Upgrades (\$1.3M)
  - Public Art (\$120K)
- Bayview Park (Total Capital Budget \$2.8M)
  - Remediation and Redevelopment (\$2.5M)
  - Public Art (360K)

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Generally, any one of the above projects could be altered and/or deferred so that funding could be made available to complete the Piers 5-7 projects. For example, plans / funding for Bayfront Park could be adjusted as some aspects of the plan for the park is linked to, and predicated, on the re-opening of Bayfront Beach. As reported in PW19057, the beach is currently closed by order of Public Health Services due to water quality problems and it is unlikely it will improve over the short to medium term.

Similarly, plans for Bayview Park remediation and redevelopment could be reassessed since this project was predicated on the proposed location of a future public parking garage being constructed on the site. Through the West Harbour Parking Strategy it was determined that the Bayview site is not large enough to accommodate the future parking supply requirements so this site has been removed from future consideration.

Depending on the priorities of Council, staff could examine various options similar to the examples above and report back with recommendations.

#### PHASE 2 CONSTRUCTION

The second phase of construction includes a new waterfront trail, plaza areas to support the future waterfront commercial village, pedestrian bridges along the boardwalk, and a public art gateway feature at the foot of James. The design is nearing completion; however, the City has not received detailed cost estimates for these components at this time so it is unclear if the budget allocated for the work is adequate. If cost escalation becomes an issue for this phase, options similar to those discussed for Phase 1 should be considered.

The three pedestrian bridges along the boardwalk are still subject to a future capital budget approval. 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. If cost escalation for these bridges becomes an issue, staff will report back to Council with recommends on how to proceed.

The public art installation, to be installed at the foot of James is being implemented in accordance with the City of Hamilton's Public Art Master Plan process detailed in the Public Art Call for Artists Policy. It is being implemented at a fixed cost so this component of the project should not be subject to cost escalation.

#### PHASE 3 CONSTRUCTION

This phase of construction is to implement the planned Artisan Village at Pier 6. It was earlier reported (PW17075b) that the original plan to re-purpose two Port Authority buildings into multi-purpose public buildings is not feasible both because of 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 in the plan 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, staff has identified an additional \$3M in the West Harbour capital budget forecast for 2021; however, until a feasibility study is completed it is unclear whether the additional funding is adequate.

#### POLICE MARINE UNIT

The Police Marine Unit on Pier 7 is to be relocated to Macassa Bay to a newly constructed permanent facility in accordance with the West Harbour Waterfront Recreation Master Plan. Subject to a feasibility study, the new permanent facility is scheduled for as early as 2022. The Piers 5-7 redevelopment schedule has necessitated the need to move the existing Police Unit at Pier 7 into a temporary facility at the former MacDonald Marine site. The temporary facility is now complete and the Police have officially transferred to Macassa Bay.

#### CAPITAL BUDGET STATUS

Since 2014 the Waterfront Development Office has proceeded on the basis of staying within the overall program budget recognizing that some projects would invariably be delivered at less cost than estimated and that others may be more costly. Until 2019 the program has proceeded without the benefit of capital cost indexing. Moreover, the original costing established for the program between 2010 and 2012 was at a coarse master plan level and did not fully consider some of the site-specific issues and requirements that are being dealt with at the waterfront such as de-watering, soil contamination, stormwater management, and streetscaping, as examples. Given the complexity of the work, lack of well-defined scope (atypical municipal infrastructure such as shorewall rehabilitation), and the need to deliver in such a short time period, staff's approach was to work with the original program budget allocation. Recognizing a shortfall could be driven by inflation, lack of scope and/or unanticipated work, staff was reluctant to unnecessarily increase a capital budget until it was clear if a cost escalation was expected. Notwithstanding, to reduce the impacts of inflation, in 2018 as part of the DC By-Law update all projects not underway were indexed to 2019 and were updated in the Capital Budget Forecast.

To date the 2013-19 West Harbour Initiatives Capital Budget totals approximately \$96 million across 32 projects. An additional approximately \$70M is required to finish the plan forecast in years 2020 to 2024+, over half of which is tied to the delivery of a new parking garage needed to support planned growth in visitors and to replace parking lost as part of the waterfront redevelopment and a new police station at Macassa Bay.

**PRIORITY CAPITAL WORKS – PIER 8 AND PIERS 5-7**

- **Pier 8:**

In September 2018 staff alerted Council (PW18079) to the potential cost increase for 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 referred to the 2019 Capital Budget process. Three of the four major projects on pier 8 are under construction; the fourth (Copp's Pier Park) was postponed because of high water levels, but is now being tendered.

Overall the cost for Pier 8 capital works is expected to be approximately 5% higher than original bases estimates net of unanticipated scope. On Pier 8, examples of unanticipated scope include costs related to streetscaping and a public walkway identified during the Pier 8 Urban Design Study.

Pier 8 Projects	Original Base Estimate	Actual / Projected Actual Cost	Unanticipated Scope	% within Original Base Estimate net of Unanticipated Scope
Development-Ready	\$20.4M	\$27.2M	\$5.3M	7.6% higher
Parks and Public Space	\$11.8M	\$13.5M	none	14.2% higher
Asset & Infrastructure Rehabilitation	\$16.1M	\$15.1M	\$0.1M	7.0% lower
Totals	\$48.3M	\$55.7M	\$5.4M	4.4% higher

- **Piers 5-7:**

Presently, the HWT is finalizing the phase 1 detail design of the Piers 5-7 projects and subject to approval of the plans and cost estimates, anticipates starting the project in the fall; however, as noted previously, Phase 1 works are approximately \$11.5M underfunded.

Pier 5-7 Projects	Original Base Estimate	Actual / Projected Actual Cost	Unanticipated Scope	% within Original Base Estimate net of Unanticipated Scope
Parks and Public Space	\$12.8M	\$24.0M	\$3.1M	64.4% higher
Asset & Infrastructure Rehabilitation	\$10.2M	\$11.6M	\$1.2M	2.6% higher
Totals	\$23.0M	\$35.6M	\$4.3M	36.6% higher

Based on estimates received, the total cost for Pier 5-7 capital works is expected to be approximately 37% higher than the original bases estimates net of unanticipated work; however, cost estimates have not been developed for Phase 2 or Phase 3 work. Cost implications of this project will be refined further once certified cost estimates are submitted.

#### **APPENDICES AND SCHEDULES ATTACHED**

None