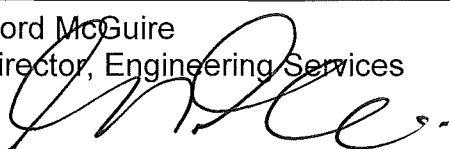


<b>TO:</b>	Chair and Members West Harbour Development Sub-Committee
<b>COMMITTEE DATE:</b>	October 22, 2019
<b>SUBJECT/REPORT NO:</b>	West Harbour Strategic Initiatives Piers 5-7 Public Realm Capital Works (PW19090) (Ward 2)
<b>WARD(S) AFFECTED:</b>	Ward 2
<b>PREPARED BY:</b>	Gavin Norman (905) 546-2424 ext. 4812
<b>SUBMITTED BY:</b>	Gord McGuire Director, Engineering Services
<b>SIGNATURE:</b>	

#### **RECOMMENDATION(S)**

- (a) That staff be authorized to direct the Hamilton Waterfront Trust to proceed with tenders for 100% of the previously approved Capital works, in the amount of \$13.5M, on Piers 5-7 for the following projects in 2019:
  - (i) Project ID 4411506107 – Piers 5-7 Marina Shoreline Rehab (Approved Budget \$10.2M); and
  - (ii) Project ID 4411606102 – Piers 5-7 Boardwalk (Approved Budget \$3.3M);
- (b) That staff be directed to make necessary modifications to the West Harbour Capital program to re-direct funding allocated to future projects to the Piers 5-7 Public Realm Project with the intent to not increase the overall program budget in years 2020-2022.

#### **EXECUTIVE SUMMARY**

At September 9, 2019 West Harbour Subcommittee, Council received report PW17075(c) "Status of West Harbour Implementation" at which staff identified a \$15.1M budget shortfall preventing the project from proceeding comprised of an \$11.5M shortfall in Phase 1 and a \$3.6M shortfall in Phase 3. Phase 1 of the project includes shorewall rehabilitation, a new boardwalk and fish habitat; Phase 3 of the project is an Artisan Village.

The purpose of this report is to:

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- Recommend a plan that will allow the Piers 5-7 Public Realm Project to proceed;
- Be able to proceed with tenders in 2019 for Phase 1 of the Piers 5-7 Public Realm project outlined in this report; and
- Advise Council that additional funding required for the project will be processed through the 2020 Capital Budget in conjunction with changes to the West Harbour Capital Program.

The Waterfront Development Office, have identified a combination of changes to the West Harbour Capital Program and Budget that will allow phased construction of the Piers 5-7 Public Realm to proceed to tender in 2019. Staff has assessed the priority of remaining West Harbour projects and proposes that some projects be deferred to future years and others be modified or deleted from the program in order that necessary funds are available to complete Piers 5-7 Public Realm project. Staff also recommends using surplus funds from one project to address the shortfall. A summary of recommended changes is included in Appendix "A" to Report PW19090.

The recommended changes result in a smoothing out the Capital program over the remaining years to mitigate 2020 and 2021 Levy increases (Levy impact reduced by \$8.25M in 2020 and \$5.85M in 2021) - refer to chart in Appendix "B" to Report PW19090. With approval in principle of the above changes it is recommended that staff be given authority to direct the Hamilton Waterfront Trust to proceed with tenders for Phase 1 construction in 2019.

**Alternatives for Consideration – See Page 5**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: The chart in Appendix "B" to Report PW19090 compares the West Harbour 2019 10-year Capital Forecast versus the updated 2020 10-year West Harbour Capital forecast. Staff have been able to smooth out the Capital program over the remaining years to mitigate 2020 and 2021 Levy increases (Levy impact reduced by \$8.25M in 2020 and \$5.85M in 2021) as well as incorporate funding from Development Charges (based on the 2019 DC Background Study).

Staffing: None

Legal: None

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## **HISTORICAL BACKGROUND**

In June 2017, Council approved a Terms of Reference between the HWT and the City for the planning, design and construction of the Piers 5-7 Public Realm Projects valued at \$15.4M and comprised of:

- Piers 5-7 Marina Shoreline Rehabilitation;
- Piers 5-7 Boardwalk;
- Pier 6 Artisan Village; and
- Pier 7 Commercial Village.

The detailed design of the project is nearing completion. With an estimated cost of \$22.9M for Phase 1, staff has projected a budget shortfall (~\$11.5M); however, this phase of work is still subject to being tendered so the actual shortfall is not known. A budget shortfall has also been identified for Phase 3 (~3.6M) since it has been determined that the original intent of re-purposing two existing Port Authority buildings at Pier 6 is not feasible, so it will be necessary to replace them with at least one new building to complete the Artisan Village. Phase 2 is not anticipating a shortfall at this time; however, detailed cost estimates have not yet been developed. Total shortfall for Phase 1 and 3 is approximately \$15.1M.

At September 9, 2019 West Harbour Subcommittee, Council received report PW17075(c) "Status of West Harbour Implementation where staff identified the budget shortfall preventing Phase 1 of the project to proceed. As a result, staff were directed to revise the West Harbour Capital Program Budget through the reprioritization of projects within the program such that the Piers 5-7 project could proceed to construction.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

N/A

## **RELEVANT CONSULTATION**

Waterfront Development Office staff have consulted with staff from Financial Planning and Policy, Corporate Services to determine suitable revisions to the West Harbour Capital Program that will minimize impacts on the Levy and Development Charges Reserve.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)**

As a priority project of Council's, increasing capital funding to the Piers 5-7 project within the overall program budget affects the ability to deliver the remaining West Harbour projects. Phase 1 of the project (shoreline and boardwalk) requires a budget increase of approximately \$11.5M in order to proceed, while Phase 3 of the project

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(Artisan Village) requires a budget increase of approximately \$3.6M. Staff has assessed the priority of the remaining projects and proposes that some projects be deferred to future years and others be modified or deleted in order that necessary funds are available to complete Piers 5-7 Public Realm. In addition, surplus funds from other West Harbour projects can be used to address the funding shortfall. Recommended changes to the program include (also refer to Appendix “A” of Report PW19090):

- Bayview Park Redevelopment (\$2.49M) and Public Art (\$310K)
  - Redevelopment of Bayview Park (corner of Guise and MacNab) is predicated on a parking garage being implemented on this site (per the West Harbour Waterfront Recreation Master Plan); however, this site has since been eliminated from future consideration as a parking structure because the site is too small. It is recommended that this project be deleted and \$2.8M in savings be reallocated to Piers 5-7.
- Bayfront Park Upgrades Phase 2 (\$6.45M)
  - A well-established City park, much of the upgrades planned for Bayfront Park is predicated on a functional public swimming beach and public washrooms; however, Bayfront Park beach is closed indefinitely due to chronic water quality problems and is not anticipated to re-open in the short to medium term. It is recommended that \$6M of planned upgrades be reallocated to Piers 5-7 leaving \$450K in this project which can still be allocated to upgrades to the existing public washrooms.
- Pier 4 Park Trail and Pathway Upgrades (\$1.3M)
  - Pier 4 Park is a well-used high-quality facility that doesn't demonstrate a need for upgraded infrastructure in the near term. This project is recommended to be deferred indefinitely with savings reallocated to Piers 5-7.
- Macassa Bay Shoreline, Boardwalk and Trail (\$11.8M)
  - Staff is recommending that this project be deferred to 2022 and the budget for a new shoreline, boardwalk and trail be reduced by \$3.8M with savings reallocated to Piers 5-7. Opportunities exist to modify the scope of the project without materially changing the intent of the plan.
- Pier 8 Greenway (\$1.6M)
  - This project can be deferred to 2021 and future years and the scope of the project can be reduced by reducing the width of the corridor from 18m to 12m. This will translate to both a lower cost to construct and an increase in land area to sell for development. Savings found here could be reallocated to Piers 5-7.

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- Barton-Tiffany – Remediation of City-Owned Lands (\$1.1M surplus)
  - Phase 1 environmental soil investigations for the City-owned Barton Tiffany lands are complete and staff is not recommending further work as part of the land disposition process. There is currently an approximate \$1.1M surplus in the capital account that is recommended to be reallocated to the Piers 5-7 project.
- Macassa Bay Police Marine Unit facility (\$5.15M)
  - The Police Marine Unit has recently moved into a new temporary facility at Macassa Bay from Pier 7 in order that the Piers 5-7 project can proceed. Deferring construction of the permanent facility to 2024+ will allow the City to optimize the value of the investment made in the temporary structure. Funding for the permanent facility remains in the capital budget forecast.
- Bayfront Park Upgrades Phase 3 (\$810KM)
  - The park's Phase 3 upgrade planned for 2021 is for a fountain at the park's entrance. Staff recommends that this project be deferred with funding reallocated to planned washroom upgrades in Phase 2 with the intent to consider not just upgrading the existing washrooms but also construct new washrooms near the boat launch.

## **ALTERNATIVES FOR CONSIDERATION**

An alternative for Council to consider is to not make changes to the program to accommodate the Piers 5-7 Public Realm Project; however, this would require an increase in the West Harbour capital budget of \$15.1M and would have an impact on both the Levy and the Development Charges Reserve. This alternative is not recommended.

Council could also consider various combinations of Piers 5-7 design changes and changes to the West Harbour program; however, this is not recommended as the option recommended by staff represents suitable changes to the program that will allow a key component of the waterfront redevelopment to proceed that will not unduly affect the overall delivery of the West Harbour Waterfront Recreation Master Plan.

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

### **Community Engagement & Participation**

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

### **Economic Prosperity and Growth**

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

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**Healthy and Safe Communities**

Hamilton is a safe and supportive city where people are active, healthy, and have a high quality of life.

**Clean and Green**

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

**Built Environment and Infrastructure**

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

**APPENDICES AND SCHEDULES**

Appendix "A" to Report PW19090 - Recommended Changes to West Harbour Capital Program

Appendix "B" to Report PW19090 - 2019 Capital Forecast versus 2020 Capital forecast (Net Levy Impact)