



INFORMATION REPORT

TO:	Chair and Members Emergency and Community Services Committee
COMMITTEE DATE:	November 5, 2020
SUBJECT/REPORT NO:	All Seasons Soccer Facility Proposal (HSC20047) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Romas Keliacius (905) 546-2424 Ext. 4722 Dawn Walton (905) 546-2424 Ext. 4755
SUBMITTED BY:	Chris Herstek Director, Recreation Healthy and Safe Communities Department
SIGNATURE:	

COUNCIL DIRECTION

At its meeting of January 17, 2019, the Emergency and Community Services Committee directed:

- (a) That staff be directed to consult with all soccer leagues within the City of Hamilton to establish the impact of the closure of Players Paradise Sports Complex on their respective operations and assess the need for a new soccer dome/multi-use facility dome;
- (b) That staff be directed to review the business plan of the Mount Hamilton Youth Soccer Club with respect to a soccer dome/multi-use facility dome as well as seek feedback from all soccer leagues within the City of Hamilton on the proposal; and,
- (c) That staff be directed to conduct a feasibility study into the development of an all seasons soccer dome/multi-use facility dome, taking into consideration both the business plan proposed by the Mount Hamilton Youth Soccer Club along with input from other soccer leagues within the

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OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

City of Hamilton, and report back to the Healthy and Safe Communities Committee.

INFORMATION

The Mount Hamilton Youth Soccer Club (MHYSC) represents over 2,500 members and their families throughout the City of Hamilton concentrated within Ward 6 and Ward 7. MHYSC is proposing a Private-Public Partnership with the City of Hamilton to re-develop, construct and operate an indoor sports facility, turf field and grass fields to be located at the Billy Sherring Park in Hamilton.

The MHYSC is proposing a 18,500 sq. ft. indoor soccer facility that will have a 9v9 soccer field, a futsal court, bocce courts and outdoor artificial turf. The proposal identified several benefits that such a facility would bring to the City of Hamilton. These include:

- Adding to the supply of indoor turf. The closing of Players Paradise in 2018 limited access and increased cost.
- Opportunity to offer soccer programs in winter months.
- Would attract tournaments such as Golden Horseshoe Athletic Conference (GHAC), Ontario Federation of School Athletic Associations (OFSAA), and other like sized events.

However, this proposal was submitted under different economic circumstances. On September 28, 2020, Recreation staff received email correspondence from MHYSC representatives requesting that the proposed project, as submitted for feasibility review, be delayed. Given the impacts of COVID-19 on the sport community, the MHYSC executives have planned to revisit their capacity to proceed with this project.

City staff had already completed analysis on the proposal and that has been included below. This information will help both MHYSC and the City of Hamilton if the proposal is resubmitted at any point in the future.

Proposal Overview

According to the proposal, the 18,500 sq. ft. facility is estimated to cost \$8.85 M to construct. Table 1 breaks down the facility and hypothetical funding allocation.

Table 1 – Proposal Funding Allocation

Funding Source	\$
MHYSC	\$500,000
Gifts	\$1,000,000
Grants, Sponsorship and Fundraising	\$850,000
Financing	\$6,500,000
Total	\$8,850,000

The proposal is asking the City of Hamilton to guarantee or co-sign a mortgage with the selected financial institution in the amount of \$6.5 M and provide a long-term lease for Billy Sherring Park.

Staff estimated that the value “as is” of the proposed parkland would be \$400 K with annual rent of \$20-25 K. The estimated market value (highest and best use) would be \$17.5 M (this is essentially the cost of replacing lost parkland) with annual rent of \$1.1 M.

Co-signing a loan is an obligation the City is responsible for, and if the company defaulted the City would have to have the means to cover the obligation, so it’s part of the overall debt level for credit rating purposes.

Staff Review

Upon receiving the original proposal from MHYSC, City of Hamilton staff reviewed the proposal and provided comments for consideration.

Pros

- The Indoor Study (2008) recommended that the City should assist community organizations in building the necessary capacity to fulfil the City’s mandate in an efficient, effective, fiscally responsible and responsive manner. This would be facilitated through a variety of means, including community development initiatives and partnerships with public, not-for-profit, schools, and/or private sector interests;
- The proposed facility would fill a sport tourism gap in the City;
- Potential synergies with other City initiatives and planned capital investments; and,
- Removing the maintenance from the park would save \$5,000 annually.

Cons

- Players Paradise has since reopened adding the supply of indoor turf back into the market reducing the pressure for an additional facility;
- The City is undersupplied by two A-rated municipal community centres, but since this proposal does not have a pool or multi-purpose spaces it would not meet the identified need or geographic location;
- Portfolio Management Committee was not supportive of the proposed repurposing of the park. Most of the resistance was related to the impact of the proposed use on the broader functioning of the park for community purposes versus what is largely perceived as a private use and control. Because of its impact on the provision of parkland and a potential change in service levels

within that community, the outcome of such a change in use may be the requirement to acquire additional parkland;

- Capital budget for this project seems significantly low. Budget is missing contingency, inflation, tax, utility upgrade, permits, and minimal budget for soft costs. Realistic budget based on \$250 per sq. ft. would put a more accurate estimate at \$23 M. This is in line with case studies from other municipalities.
- Concerns with the ongoing public access to the existing spray pad, building, and playground and pressure on parking;
- This would be a for-profit corporation, which under O. Reg. 599/06 Municipal Services Corporations, and as such a partnership would not be permitted. Even if the City could incorporate with the soccer club, giving this new corporation a contract for operating the facility could be considered a form of bonusing that may not be exempt under the regulations;
- The capacity of MHYSC as a facility operator has not been vetted; and,
- If it is determined that there is a legitimate need for such a facility offered by way of an unsolicited proposal, then an acquisition process shall be conducted in accordance with the Procurement Policy.

Survey Results

City Staff conducted two online surveys from Feb 14, 2020 to March 7, 2020 to explore the impact of the Players Paradise closure on the supply of indoor facilities and overall need and usage of such facilities.

Hamilton & District Soccer Association Members Survey (498 responses)

- Received responses from all 20 associations. 80% of the respondents are athletes/guardians and 79% identify with youths.
- Only 12% of respondents do not use an indoor soccer facility (artificial or gym), with the majority (81%) using an artificial turf facility.
- 52% of respondents have been achieving adequate space at indoor facilities.
- 47% identified needing more time because there is a shortage of indoor time available with the greatest shortage (77%) being weeknights (5 p.m. – 11 p.m.).
- The greatest need for an indoor facility is for team training opportunities, followed by skill development. On a smaller scale it would be useful for competitions.
- 83% of respondents feel that additional year-round indoor soccer facilities are needed to accommodate training and development opportunities. 41% think this need is critical.

Association Staff Survey (24 responses)

- Received responses from 10 of the 20 associations (50%). 67% of the respondents accommodate both adult and youths.
- There is an equal split between gyms and artificial turf. Each category had 12 responses.

- 54% of respondents have been achieving adequate space at indoor facilities.
- 56% identified needing more time because their organization is growing.
- 69% of respondents think that there is a shortage of space on weeknights (5 p.m. – 11 p.m.)
- The greatest need for an indoor facility is for team training opportunities, followed by skill development. On a smaller scale it would be useful for competitions.
- 88% of respondents feel that additional year-round indoor soccer facilities are needed to accommodate training and development opportunities. 44% think this need is critical.

Next Steps

Although the proposal has been delayed, a complete needs analysis for indoor soccer facilities will be included in the Recreation Master Plan Study to be completed in 2021. This analysis will identify if such a facility is needed and where it would be best located in case this proposal, or others like it are brought forward in the future.

APPENDICES AND SCHEDULES ATTACHED

None