

7.1(b)

2015 Pan Am Games Velodrome Update

September 13, 2011
General Issues Committee



Hamilton





Purpose of Today's Presentation

- Provide the General Issues Committee (GIC) with an overview of Information Report CM10005(c)
- Respond to questions arising from the GIC meeting on August 29, 2011
- Respond to questions arising today



Overview of CM10005(c)



Hamilton



Information

- Toronto 2015 RFP includes:
 - Hamilton Velodrome
 - Hamilton Stadium
 - York University Stadium
- Sent to 3 proponents on Sept. 15
- Closes late Feb. 2012
- Successful proponent to be named in the Spring of 2012



Investigation of Potential Sources for Funding Shortfall

- City and Mohawk College representatives have contacted a number of potential partners regarding capital funding for the construction of the Velodrome including:
 - Senator David Braley
 - MP David Sweet
 - MP Dean Allison
 - MPP and Minister of Revenue Sophia Aggelonitis
 - Mohawk College
 - Private Sector interests



Investigation of Potential Sources for Funding Shortfall



Capital Costs (2014 dollars)	
Velodrome construction	\$35M - \$45M
Velodrome site preparation	\$1.5M
Velodrome site relocation, development and parking	\$3M
Land acquisition (lease)	-
Subtotal	\$39.5M - \$49.5M



Investigation of Potential Sources for Funding Shortfall



Sources of funds	
Toronto 2015 @ 56%	\$19.6M – \$25.2M
City of Hamilton	\$5M
Mohawk Students Association	\$2M
Subtotal	\$26.6M - \$32.2M
Shortfall	\$13M - \$17.3M



Investigation of Potential Sources for Funding Shortfall



Projected Annual Net Operating Position			
	Low	Mid	High
Net shortfall from Operations	-\$42,911	-\$83,993	-\$273,824
Annual capital maintenance reserve @ 1% per year on \$30M	-\$300,000	-\$300,000	
Capital reserve @ 1.5% per year on \$30M			-\$450,000
Total	-\$342,911	-\$383,993	-\$723,824



Discussions with Toronto 2015

- Focused on securing additional capital funds
- Broad national and provincial benefits
 - TO2015 Organizing Committee lead role
- Legacy Funding
 - No assurance that the City's request for \$500K legacy funding is guaranteed
- Timeline for Velodrome location decision
 - Four week extension (Oct. 11, 2011) to investigate alternative funding sources
 - Will not impact RFP timing (still goes out on Sept. 15, 2011)



Partnership with Mohawk College

- Working on the Memorandum of Understanding (MOU)
 - Subject to review and approvals from Mohawk Board, Students and City of Hamilton Council
 - Term 20 years with 4, 5-year renewals
 - Cycling track priority use by community and cycling stakeholders (CCA,OCA,NCCH, Clubs)
 - Multi-purpose infield (3 sport / recreation gyms) with priority use by Mohawk College students
 - Over arching priority use of the Velodrome for cycling



Partnership with Mohawk College

- Working on the Memorandum of Understanding (MOU)
 - Centre operating Prime Times (Aug-April) and non Prime season (May-Aug)
 - City events
 - 20 cycling event days / competition weekends / 10 community cycling events
 - College
 - 20 event days to use multi-purpose gyms
 - Velodrome operated by the City / 3rd party
 - Mohawk Athletic Centre operated by Mohawk / 3rd party



Partnership with Mohawk College

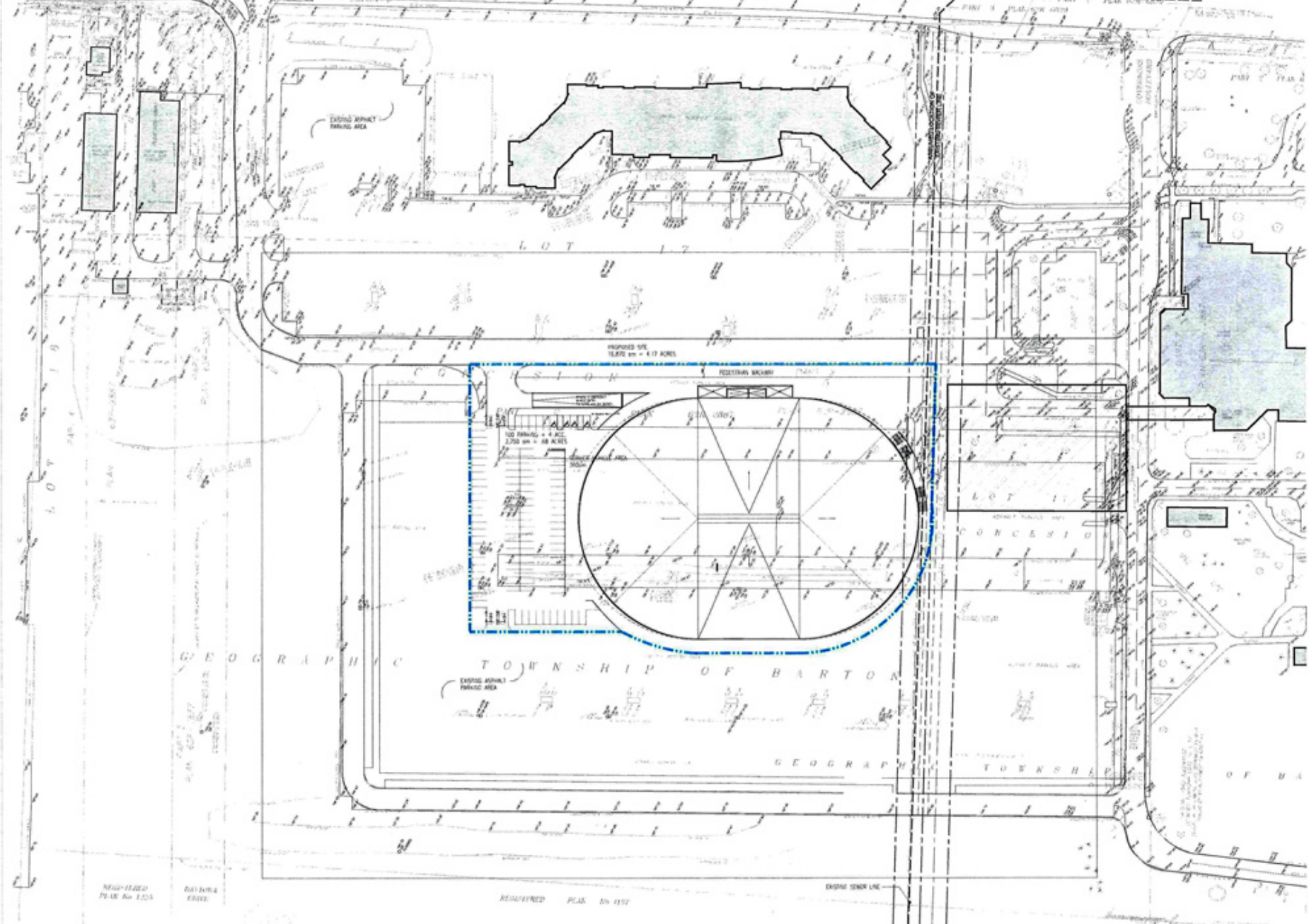
- Working on the Memorandum of Understanding (MOU)
 - Velodrome Operations Committee with reps from City, Mohawk and CCA
 - Capital maintenance reserve
 - Facility use payments under review
 - Velodrome naming rights, sponsorship and advertising to the City
 - 100 dedicated parking spots for Velodrome users at no cost; event parking costs under review
 - Costs associated with replacement of parking are the City's responsibility



Partnership with Mohawk College

- Working on the Memorandum of Understanding (MOU)
 - Mohawk capital contribution \$2M
 - Operating costs to be shared by all partners and the Legacy Funding (with the Legacy Funding picking up the majority of the deficit)

FENNELL AVENUE WEST



GEOGRAPHIC TOWNSHIP OF BARTON

GEOGRAPHIC TOWNSHIP OF BARTON

NOTED PLAN No. 1251

NO. 1251

REQUIRED PLAN No. 1157

EXISTING SIDE LINE



Questions from August 29th GIC meeting



Hamilton



RFP process

- Can Hamilton put out its own RFP for the Velodrome?
 - IO has indicated that we cannot.
- What happens to the RFP process if we accept a one-month extension?
 - The RFP process will issued as scheduled on September 15, 2011.
 - Location will only be noted if current funding gap addressed.



Velodrome capital costs

- How much have we spent so far?
 - \$48K – staff
 - \$4K – consultant
 - \$79K – Sierra business plan



Land acquisition



- What are the risks RE: parking at the Mohawk College site?
 - Considered “offsite use”
 - Would require a rezoning
- Who governs the ORC lands?
 - Infrastructure Ontario



Velodrome operations



- Who will operate the Velodrome?
 - The Velodrome will be operated by the City / 3rd party



Funding shortfall

- Are there any fundraising examples for these kind of municipally-owned facilities?
 - Not for velodromes per se but for other sport facilities some examples exist nationally
- Has Hamilton successfully fundraised for the construction of sports facilities?
 - City of Hamilton has not undertaken a fundraising campaign to construct sports facilities. Capital fundraising campaigns have been undertaken by McMaster University (athletic centre)



Pan Am Velodrome Sub-Committee

- What is the mandate of the Pan Am Velodrome Sub-Committee?
 - To provide advice, input and support for the development of a permanent Velodrome in Hamilton as part of the 2015 Pan Am initiative and legacy.



Velodrome in Hamilton

- What are the economic benefits?
 - ~20 major events / year
 - Impact of ~\$3.2M
 - Home for Canadian National Track Cycling team
 - 4-5 months / year
 - ~\$1.5M new spending
 - Projections of new spending
 - ~4.7M / year



West Harbour site



- What are the costs to ready the West Harbour lands?
 - Velo only: \$3M
 - Whole site: up to \$40M
 - Plus site servicing: \$0.5M - \$1M
 - Annual tax loss: ~367K



Questions?

Chris Murray, City Manager

September 13, 2011

General Issues Committee



Hamilton
