



IN CAMERA

## ADMINISTRATIVE REPORT

Report Date: July 7, 2016  
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Meeting Date: July 26, 2016

TO: Vancouver City Council

FROM: General Manager of Real Estate and Facilities Management  
General Manager of Board of Parks and Recreation  
General Manager Finance, Risk and Business Planning / CFO

SUBJECT: Britannia Community Centre - Transfer of Responsibility for Pool & Ice Rink and Land Exchange

### IN CAMERA RATIONALE

This report is recommended for consideration by Council on the In Camera agenda as it relates to Section 165.2(1) of the *Vancouver Charter*: (c) labour relations or other employee relations; (e) the acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure could reasonably be expected to harm the interests of the city; and (k) negotiations and related discussions respecting the proposed provision of an activity, work or facility that are at their preliminary stages and that, in the view of the Council, could reasonably be expected to harm the interests of the city if they were held in public.

### RECOMMENDATION

- A. THAT Council approve the transfer of responsibility from the Vancouver School Board (VSB) to the City of Vancouver (CoV or City)/Park Board for the facility maintenance, operations and recapitalization of the Britannia Ice Rink (the "Ice Rink").
- B. THAT Council approve the transfer of responsibility from the VSB to the CoV/Park Board for the facility maintenance and operations of the Britannia Pool (including Fitness Centre) (the "Pool").
- C. THAT, subject to approval of Recommendations A and B, the General Manager of Real Estate and Facilities Management be authorized to negotiate and conclude such legal agreements as are necessary to implement such transfers and that

such legal agreements be on such terms as are approved by the General Managers of Real Estate and Facilities Management; Finance, Risk and Business Planning; and Board of Parks and Recreation, and that the Director of Legal Services be authorized to execute and deliver such legal agreements on behalf of the City.

- D. THAT Council authorize staff to proceed with negotiations with VSB on a land and building ownership exchange which will allow for the optimization of the redevelopment of the Britannia Civic Centre (the "Civic Centre") (see Appendix A).
- E. THAT, subject to approval of Recommendation D, staff are to report back on such negotiations with a further report seeking the authority to implement such a land exchange if such negotiations are successful.
- F. THAT no legal rights or obligations will be created by the approval of the above Recommendations unless and until the required legal agreements are executed and delivered by the Director of Legal Services.

### ***REPORT SUMMARY***

The Civic Centre has evolved to occupy portions of CoV lands addressed at 1661 Napier Street, and VSB lands addressed at 1001 Cotton primarily used for the Britannia Secondary School facilities. The CoV lands also contain VSB improvements including approximately half the school's running track/sports field. The Ice Rink is located entirely on the CoV lands. This facility is currently maintained and operated by VSB staff. VSB does not operate any other rinks and they have expressed a desire to withdraw their services from this facility to concentrate their resources on the delivery of education. Transferring maintenance, operations and recapitalization to the CoV/Park Board will bring facility maintenance, operations and recapitalization levels to the same standards as other civic operated rinks across the City.

The Pool straddles the VSB and CoV property lines. Similar to the Ice Rink, the Pool facility is maintained and operated by VSB staff and they have expressed a desire to withdraw their service to this facility. Transferring maintenance and operations to the CoV/Park Board will bring facility maintenance and operation levels to the same standards as other civic pools across the City.

A land exchange is proposed that would result in the CoV and VSB owning the properties that house the facilities each operate and maintain. The desire is to have the track and field to be entirely on VSB property and facilities that deliver community services to be on CoV property. This will also facilitate the redevelopment plan for the Civic Centre.

### ***COUNCIL AUTHORITY/PREVIOUS DECISIONS***

There is applicable Council authority and previous decisions relevant to this report that date back to over forty (40) years ago. Vancouver City Council authorized the City's execution of an agreement dated February 25, 1972 with Central Mortgage and Housing Corporation ("CMHC") whereby CMHC contributed funding to the City to assist with a 5 year "urban renewal scheme" for Britannia.

This urban renewal scheme involved the acquisition, consolidation, clearing and provision of municipal services for approximately 11.70 acres adjacent to and surrounding the Britannia Secondary School.

By December 1974, this work had been completed and on December 3, 1974, Council resolved to approve the consolidation and subdivision of the Britannia Community Centre site into "Block 177" (now owned by the City) and "Block 178" (now owned by VSB).

Council's resolution to approve this subdivision was based on an agreement with the VSB to subdivide the land so as to reflect their respective capital contributions for land acquisitions, leaving a property line that runs through the middle of various improvements and buildings like the Pool and the gymnasium. They then recorded their respective capital contributions to (and fractional ownership of) the various buildings in a schedule that they then attached to a legal agreement which is now registered on title to VSB's property.

The percentage allocations for VSB's and City's land contributions were agreed to be as follows: 44.905% for the VSB; and 55.095% for the City. The allocation for buildings was based on the estimated anticipated use by each party of those buildings: 48.59% City; and 51.41% VSB.

Following attempts to configure a subdivision that segregated the school land and buildings from the community land and buildings, as well as an attempt to structure the project with the City and VSB as co-owners of the project (largely due to prohibitions in the then *Public Schools Act*), the City and VSB agreed to the current configuration which ignores the locations of the improvements and buildings and grants a right of first refusal to the City with respect to its fractional ownership of the buildings on the site.

Over the course of the late 70's and early 80's, the City and VSB then entered various operating agreements (which in some cases included the Britannia Community Centre Society). These operating agreements served (and continue to serve) as the day to day programming and cost sharing agreements for the various buildings within the Britannia Community Centre.

### ***CITY MANAGER'S/GENERAL MANAGER'S COMMENTS***

The General Manager of Real Estate and Facilities Management, the General Manager of the Board of Parks and Recreation and the General Manager of Finance, Risk and Business Planning/CFO, support approval of these recommendations.

## REPORT

### Background/Context

Further to the agreements previously approved by Council in the 70's and 80's, the buildings at this site have been maintained by the VSB with the CoV paying a proportionate share based on square footage and facility usage. The current proportionate shares are 95% CoV / 5% VSB for the Ice Rink and 60% CoV / 40% VSB for the Pool.

In 2011, VSB staff undertook a review of the cost sharing arrangement and expressed a desire to withdraw services to these facilities. The Ice Rink and the Pool are the only ice rink and pool facilities that the VSB maintains and operates and VSB acknowledges that they do not have the expertise to maintain and operate them as efficiently as the CoV/Park Board would. A review was completed by CoV staff in June 2015 and it was recommended that the City assume operational responsibility for the Pool and the Ice Rink facilities if approved by Council. The CoV/Park Board model would include the creation of 6.7 RFT equivalent positions to maintain the janitorial, ice and mechanical systems at these facilities. This allocation would replace VSB staff with CoV staff at these facilities and would facilitate the standardization of operations currently implemented at other CoV owned rinks and pools across the City.

The new allocation model will be 100% CoV for the Ice Rink and the Pool maintenance and operations. Capital work for the Ice Rink would be 100% CoV as this facility is 100% on CoV property and 60% CoV / 40% VSB for the Pool as this facility currently straddles CoV property and VSB property. The allocation for recapitalization of the Pool will be amended if a land exchange between the CoV and VSB is agreed upon (see Appendix A). The following table summarizes the proposed allocations.

		Future State <sup>1</sup>	
<b>RINK</b>	<b>Operating</b>	SERVICE DELIVERY	City to take over 100% of operations service delivery from VSB, including: Maintenance, Operations, and Custodial
		COST SHARING	CoV cost share = 100%. For costs such as utilities, CoV will pay VSB for the costs of all utilities as per meter usage <sup>2</sup>
	<b>Capital</b>	SERVICE DELIVERY	City to take over 100% of capital related work from VSB, including: Maintenance, replacements and regulatory improvements
		COST SHARING	CoV cost share = 100%
<b>POOL</b>	<b>Operating</b>	SERVICE DELIVERY	City to take over 100% of operations service delivery from VSB, including: Maintenance, Operations, and Custodial
		COST SHARING	CoV cost share = 100%. For costs such as utilities, CoV will pay VSB for the costs of all utilities as per meter usage <sup>2</sup>
	<b>Capital</b>	SERVICE DELIVERY	City to take over 100% of capital related work from VSB, including: Maintenance, replacements and regulatory improvements
		COST SHARING	CoV cost share = 60% / VSB cost share = 40% <sup>3</sup>

1. These responsibilities begin 90 days after the execution of the agreement once City management/staff in place (which will be no later than 90 days after execution)
2. Utilities to be billed by VSB to City, based on reading of sub-meters
3. The cost share of pool capital will revert 100% to City once the land transaction is completed to transfer land under pool to City

### *Strategic Analysis*

Both VSB and City staff are recommending that the original “urban renewal scheme” with its consolidated programming and cost-sharing model needs to be re-visited in light of the last 40 years of experience as well as the current severe cost constraints on VSB.

VSB and City staff are recommending a new approach which leverages specialization of expertise and allows VSB to focus on its education mandate and the City to focus on its community and recreational services mandate.

Since the parties no longer see the benefit of having an integrated, shared asset approach, there is no longer any justification for co-owning or co-managing the buildings straddling the property line. Accordingly, City staff are recommending a two-step transition away from the model originally put in place in the 1970’s.

Firstly, CoV would assume responsibility for maintenance and operations of the Rink and Pool as outlined above. This will allow these facilities to be managed as wholly-owned City/Park Board facilities and to be maintained at the same standards as other similar facilities across the City. VSB would no longer have use or access to these facilities except in the same manner as it does with other Park Board rinks and pools.

Secondly, CoV would negotiate a land exchange and transfer of title to the land and buildings so as to “un-wind” the model set up in the 1970’s. This would complete the transition and place legal ownership of the Pool and Rink as well the land on which they are located in the name of the City and would also place legal ownership of VSB’s buildings as well as the land on which they are located in the name of the VSB.

A motion was tabled for discussion at the VSB board meeting on June 6, 2016, to achieve a new cost sharing model with the CoV that is fair and equitable. If this is not achievable, the VSB may direct VSB staff to terminate the operating agreement (which is permitted on 90 days’ notice). If the operating agreement is terminated, there could be service disruptions to the community services delivered from these facilities since there is considerable legal uncertainty over who (if anyone) is responsible for, or authorized to, operate any given building (given the fractional co-ownership model adopted by the City and VSB when they first developed the site in the 1970’s).

Staff are recommending this two-step transition as the optimal way to proceed with rationalizing the operations and maintenance of the Pool and Rink as well as the eventual redevelopment of the non-VSB components of Britannia Civic Centre.

**Implications/Related Issues/Risk (if applicable)**

**Financial**

The following table outlines the differences in cost of operations based on the different staffing models for VSB and CoV.

	Annual Operating Costs	Annual CoV Share	Annual VSB Share
Current Model of Operations with VSB staff	\$1,192,917	\$964,826	\$228,091
Proposed Model of Operations with CoV staff	\$1,097,370	\$1,082,570	\$14,800
Difference	\$ (95,547)	\$117,744	\$ (213,291)

The CoV maintenance and operations model should result in:

- reduction of overall operating costs by ~\$96k;
- the CoV proportional cost should increase by ~\$118k; and
- the VSB proportional costs should decrease by ~\$213k.

**Human Resources/Labour Relations**

An additional 6.7 RFT equivalent positions will be created to maintain and operate the Ice Rink and the Pool.

Positions	Status	FTE	Pay Grade
Mechanical Technician II (Chief Engineer)	RFT	1.00	21
Ice Rink Lead Hand (IRLH)	RFT	3.00	16
Utility Maintenance Worker (UMW) - Pool	RFT	1.00	14
Building Worker - Pool and Fitness Centre	RFT	0.57	13
Utility Maintenance Worker (UMW) - Rink	AUX	0.50	14
Utility Maintenance Worker (UMW) - Pool	AUX	0.40	14
Building Worker - Pool and Fitness Centre	AUX	0.23	13
<b>Total</b>		<b>6.70</b>	

## *CONCLUSION*

While the costs to the CoV will likely increase by approximately \$118K per year for the maintenance and operations of the Ice Rink and the Pool, the benefits of assuming operational responsibility allow the CoV/Park Board to manage these facilities under the same standards as other rinks and pools. It also mitigates the uncertainty of VSB's financial deficit having a negative impact on the delivery of public services from these sites. Transfer of operational responsibility is the first step towards the land exchange which will be critical for the redevelopment of the Civic Centre.

\* \* \* \* \*

### Appendix A - Potential Land Exchange



\* Approximate areas. Subject to further discussions an planning





