



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: May 22, 2007
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Meeting Date: May 29, 2007

TO: Vancouver City Council

FROM: The Director, Facility Design and Management in consultation with the Director of Financial Planning and Treasurer.

SUBJECT: Facilities Rehabilitation of the Pacific Coliseum and the Forum at Hastings Park (PNE)

RECOMMENDATION

THAT Council approve Capital funding of up to \$2,222,000 for the rehabilitation of the Coliseum and Forum buildings at Hastings Park subject to the satisfaction of the Board of Directors of the PNE and Director of Facilities Design and Management; source of funding to be the PNE Reserve.

CITY MANAGER'S COMMENTS

The City Manager notes that this work is essential in order to safeguard the value of key building assets at the PNE. This work is typical of the recapitalization needs of facilities of this age and type of use. Continued deterioration of the roofing systems of the Pacific Coliseum and the Forum will severely impact the operations in these facilities. Water infiltration from roofing systems failures, will inevitably result in damage to recent improvements in these facilities and create the potential for Indoor Air Quality concerns. Upgrading of the heating plant and the washrooms in the Forum is required to support continued operations of these facilities.

The negotiations with the Province, for the City to assume ownership of the PNE included a \$2.2 million contribution to the City. This was to deal primarily with financial risk associated with a short notice shutdown of the operation. Council in 2004 approved continuation of the PNE operations and successful operations since 2004 have allowed the PNE to position financially to mitigate some risk.

The Coliseum and Forum buildings are City assets and major structural repairs are the responsibility of the City. Capital funding has not been set aside for these buildings, therefore, it is appropriate to use the reserve for this necessary work.

Therefore, the City Manager, RECOMMENDS approval of the foregoing recommendation.

COUNCIL POLICY

Council approval is required for projects funded from the Capital Budget. Funding must be in place prior to proceeding with the development of any project.

PURPOSE

The purpose of this report is to seek Council's approval to fund the following rehabilitation projects in the Pacific Coliseum and Forum buildings at the Hastings Park (PNE) site:

- Replacement of the Coliseum Roof
- Replacement of the Forum Roof
- Upgrading to the Forum Heating Systems
- Upgrading of the Forum Washrooms and Change Rooms

BACKGROUND

In March 2003, Council approved the terms of an agreement between the Province and the City transferring ownership of the PNE to the City effective January 1, 2004.

On November 3, 2003, the Province passed the Pacific National Exhibition Enabling and Validating Act (Bill 83) and consequential amendments to the Pacific National Exhibition Incorporation Act transferring the ownership and management of the PNE to the City, providing for the City's authority to determine future uses, and to appoint members to the PNE Board of Directors effective January 1, 2004.

At this time, there is a Board of Directors exercising governance over the PNE while a future visioning process is undertaken.

DISCUSSION

In January 2006, the City engaged NORWEST INSPECTIONS LTD, to conduct a condition audit and provide recommendations and preliminary estimates to safeguard the integrity of the roofing at the Pacific Coliseum and Forum. The following is a summary of the results of these investigations:

Pacific Coliseum

The Coliseum was constructed in 1968. It has three major roof areas: a flat roof with two-ply SBS system, an asphalt shingle, sloped roof, and flat roof areas over the entry lobbies and administration areas. The section of the roof is over 25 years old. Both the main and sloped roof areas are experiencing significant deterioration of the roofing membrane, ponding,

damage to the insulation, and leakage. During the severe windstorms last December, the Pacific Coliseum roof incurred further damage. The insurance claim is currently estimated at approximately \$139,000 and will offset a portion of the estimated roofing costs.

The roof areas over the entry lobbies and administration areas were replaced within the last 5 years and have an estimated life expectancy of greater than 10 years.

Roof Area	Consultant Recommendations	Estimated Cost 2007
Main Roof	Replace in next 1 to 2 years	\$748,000
Shingle, sloped roof	Replace in next 2 to 3 years	\$403,000
Design and Project Management Fees		\$33,000
Total Project Cost		\$1,184,000
Less: Insurance Claim		\$139,000
TOTAL COST		\$1,045,000

The Pacific Coliseum is intended as a primary venue for the upcoming Olympic Games in 2010.

The Forum

The Forum was constructed in 1931. It has a central asphalt shingle, sloped roof section surrounded by vertical clad walls and areas of flat, built-up, roofing. The current roofing is well in excess of 25 years old. There is significant weathering and deterioration of the shingles and roof membrane, damaged and leaking gutters, and poorly sealed roof penetrations, all resulting in numerous leaks.

Roof Area	Consultant Recommendations	Estimated Cost 2007
Main- sloped, asphalt shingle roof	Should be replaced now	\$380,000
Main and ancillary flat, membrane roof areas	Should be replaced now	\$345,000
Metal Clad Vertical Walls	Should be replaced when main roof area is done	\$115,000
Design and Project Management Fees		\$27,000
TOTAL		\$867,000

The Forum has also been identified as the Volunteer and Accreditation Centre for the lead up to and during the 2010 Olympic Games.

There are a number of leaks in these facilities that impact operations and revenue generation ability of the PNE. The condition of these roofs has deteriorated to a point that spot patching and repairing is no longer viable. The recent wind storms have further exacerbated the deterioration.

Based on the current condition of the roofing on the Pacific Coliseum and Forum and the potential serious impact on operations in these facilities, the President and CEO of the PNE and the City's Director of Facilities and Property Management strongly recommend the approval of funds to re-roof these facilities.

Forum Heating Plant Upgrades and Washroom and Change Room Renovations

The three large 2 million BTU, natural gas, forced air unit heaters are approximately 35 years old and have exceeded their useful life span. There have been numerous maintenance issues with these units over the last few years, including cracked heat exchangers that have reduced the operating capacity of one of these units by 50%. The heat exchangers in all of these units have been repaired several times before and further repairs are not practical or economical. The condition of these units poses an ongoing risk of carbon monoxide contamination within the facility.

The proposed scope of work involves replacing the three old units with new units of a similar type, capacity and configuration. In addition, a fresh air intake system will be installed to bring it up to current code requirements. The estimated cost for this work is \$285,000.

The washroom and change room facilities are in poor condition and need to be upgraded to standards commensurate with future programming including rental of this facility by VANOC as the Volunteer and Accreditation Centre for the 2010 Winter Olympics. There are two male washrooms and a changeroom, two female washrooms and a changeroom, and one accessible washroom to be rehabilitated.

This work plan provides a comprehensive rehabilitation of the washrooms and change rooms including: new ceramic floor tiling, new ceramic wall tiles, full replacement of ceiling tiles, full replacement of toilet partitions, replacement of toilets, urinals, sinks, faucets, and related plumbing, new mirrors, replacement of lighting systems, installation of enhanced ventilation, replacement of heating units, replacement of doors, and repainting entire area. The estimated cost is \$275,000.

The total estimated cost of the heating, washroom, and change room upgrades is \$560,000. As part of the offer to lease the Forum, VANOC, in addition to the leasing fee, has agreed to provide \$250,000 towards the above upgrades. The net estimated cost for these upgrades is \$310,000.

A summary of the cost estimates is as follows:

Scope of Work	Total Cost Estimate Washroom Upgrade (Option 2)
Pacific Coliseum Roof Replacement (net insurance claim)	\$1,045,000
Forum Roof Replacement	\$867,000
Net Heating System Replacement and Washroom/Changeroom Upgrading	\$310,000
TOTAL ESTIMATED COST	\$2,222,000

In consideration of the above requests for funding, it should be noted that PNE is responsible for the non structural maintenance and operation of the facilities at Hastings Park and spends approximately \$2,500,000 annually on repairs and utilities for the buildings. While the PNE has funded typical operation and maintenance requirements and some capital upgrades and rehabilitation, it has limited ability to fund major recapitalization of the facility infrastructure.

FINANCIAL IMPLICATIONS

The cost of the recommended repair and upgrades to PNE buildings is estimated at \$2.22 million. Funding for this work is recommended from the PNE Reserve. Funding in this reserve was provided by the province at the time the City acquired the PNE as a contingency against future liabilities associated with ownership. As the City will have ongoing responsibilities for the assets at the PNE, these costs will have to be built into the City's capital expenditure planning process beginning with the next Capital Plan.

Market cost escalation continues to adversely affect design and construction costs. Further delay in proceeding with this project will result in further pressure on capital financing. Allocation of these funds will deplete the existing capital reserve set aside for the PNE.

OPERATIONAL IMPLICATIONS

Revenue generating events may be jeopardized by a major roof leak or failure of the heating system. Upgrading of the heating systems and washrooms is long over due and should be carried out to support continued operation in this facility and rehabilitate it to a suitable standard

CONCLUSION

In light of the continuing deterioration of the roof system at the Pacific Coliseum, and the roofing, heating systems, washrooms and change rooms at the Forum, rehabilitation of these facilities is recommended in order to support continuing operations of these facilities and their future use as Olympic venues.

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