



ADMINISTRATIVE REPORT

Report Date: December 9, 2009
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VanRIMS No.: 08-2000-20
Meeting Date: December 15, 2009

TO: Vancouver City Council

FROM: General Manager of Parks and Recreation

SUBJECT: Approval of Funding in Advance of 2010 Capital Budget: Conversion of the Vancouver Olympic/Paralympic Centre at Hillcrest Park into the new Riley Park Community Centre, Riley Park Ice Rink, Vancouver Curling Club and Riley Park Library

RECOMMENDATION

THAT Council allocate \$11.35 million toward a total project budget of \$12.35 million to complete the renewal of Riley Park Community Centre, Riley Park Ice Rink, Vancouver Curling Club and Riley Park Library, sources of funds to be \$6.48 million from Curling Venue Post-Olympic Conversion Fund and \$4.87 million from debenture funding in advance of the 2010 Capital Budget.

GENERAL MANAGER'S COMMENTS

The General Manager of Parks and Recreation recommends approval.

CITY MANAGER'S COMMENTS

The City Manager recommends approval.

COUNCIL POLICY

Allocation of capital funds for park and recreation projects requires Council approval.

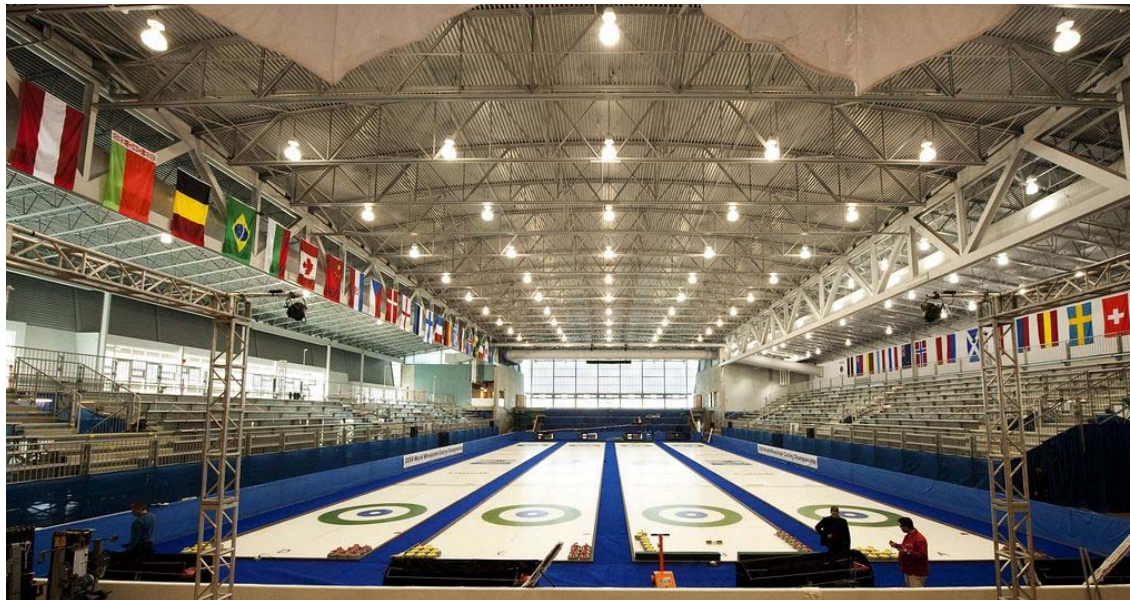
PURPOSE

The purpose of this report is to seek Council approval for the conversion of the Vancouver Olympic/Paralympic Centre at Hillcrest Park after the 2010 Winter Games into three new major recreational facilities (Riley Park Community Centre, Riley Park Ice Rink and Vancouver Curling Club), as well as a new branch library (Riley Park Library). A total of \$11.35 million in capital funds will allow the project to be completed, with the new community facilities open for public usage in September 2011.

BACKGROUND

The Vancouver Olympic/Paralympic Centre in Hillcrest Park was designed and built to be converted after the 2010 Winter Games to accommodate the following major uses:

- Riley Park Community Centre (replacing the existing building at Riley Park, which dates from 1966);
- Riley Park Ice Rink (replacing the existing building at Riley Park, which dates from 1966);
- Vancouver Curling Club (replacing the existing building at Hillcrest Park, which dates from 1949); and
- Riley Park Library (replacing the existing storefront library at 3981 Main Street, which dates from 1981).



There are two major components to the conversion project. The Vancouver Park Board is responsible for the community centre, ice rink, curling club and rough finishing of the library. The Vancouver Public Library is responsible for the furnishings and collection at the library. This report covers the Park Board component of the conversion.

The anticipated schedule for the conversion is as follows:

- Pre-construction services: November 2009-January 2010
- Allocation of funding: December 2009
- Award of construction contract: January 2010
- Issuance of Building Permit: February 2010
- Procurement of materials by contractor: February 2010-March 2010
- Olympic and Paralympic Games: February-March 2010
- Start of construction: April 2010
- Completion of construction: Spring 2011
- Furnishings and set-up: Summer 2011
- Public opening: September 2011

DISCUSSION

Cost Estimate

In 2006, it was estimated that the conversion cost would be \$12.35 million. When the 2009-2011 Capital Plan was prepared in mid-2008, the estimate was increased to \$14.0 million based on inflationary pressure in the construction market between 2006 and 2008. The most recent estimate dates from October 2009 and anticipates that the proposed conversion will now cost \$13.2 million due to deflationary pressures in the construction market over the last 12-15 months. The City Manager has directed that Park Board staff work toward a design/scope which will bring the conversion cost back to the original budget of \$12.35 million.

Funding Sources

Staff recommends that the conversion project (\$12.35 million) be funded from the following sources:

- \$6.48 million from the Curling Venue Post-Olympic Conversion Fund; and
- \$5.87 million from debenture funding for Parks and Recreation from the 2009-2011 Capital Plan (of which \$1.0 million was advanced in the 2009 Capital Budget).

The Curling Venue Post-Olympic Conversion Fund was created by Council in September 2006 (RTS #6089) when it approved "THAT Council assume from VANOC responsibility for conversion of the Curling Centre / Legacy Facility to its final Legacy configuration and uses ... following the 2010 Games at a cost estimated at \$12.35 million (2010\$) on the condition that VANOC provides an immediate payment to the City of \$10.0 million, equivalent to the present value of that future expenditure".

In July and October 2007 (RTS #6836 and #6961), Council reallocated \$4.76 million from the Curling Venue Post-Olympic Conversion Fund to cover cost escalation at the new Trout Lake Ice Rink and new aquatic centre at Hillcrest Park, reducing the principal sum to \$5.24 million.

Staff estimates that the balance in the Curling Venue Post-Olympic Conversion Fund on December 31, 2009 will be \$6.48 million (\$5.24 million plus \$1.24 million in accrued interest).

The project will therefore require \$5.87 million in debenture funding to cover: a) the lower than expected interest that accrued to the fund (\$1.11 million); and b) the amount that was reallocated to other projects (\$4.76 million).

A total of \$1.0 million in debenture funding was approved as part of the 2009 Capital Budget for phase 1 soft costs (planning, design, permits, in depth cost estimates). About \$0.3 million has been spent or committed to date. Unspent funds from phase 1 will be used for phase 2 construction work. The request for the 2010 Capital Budget is therefore \$4.87 million in debenture funding (\$5.87 million minus \$1.0 million).

Timing

The 2010 Capital Budget is planned to be considered by Council on January 21, 2010. Approval for the conversion project is being sought in advance of the 2010 Capital Budget for two reasons:

- a) **Schedule:** In order to meet the anticipated construction schedule (start of construction procurement in February 2010 and project completion in the summer of 2011), the Park Board must award the tender to a contractor in January 2010 because the Board will not be meeting in February 2010 during the Olympic Games. Given the current meeting schedule, the funding allocation has to be approved by Council in December 2009 in order to allow the Board to award the contract in January 2010.
- b) **Budget:** The construction market is generally favourable to the consumer at this time.

Although expenditures will be spread over two years (2010 and 2011), staff is requesting approval of the allocation of the full amount (\$11.35 million) in order to align with procurement of construction tenders. Results of tenders will be reviewed with the City Manager and Chief Financial Officer in order to ensure alignment with the budget.

FINANCIAL IMPLICATIONS

As a result of the detailed planning phase approved as part of the 2009 Basic Capital Budget (budget of \$1 million), the revised estimate for the conversion project is \$12.35 million.

An allocation of \$11.35 million is required to complete the renewal of Riley Park Community Centre, Riley Park Ice Rink, Vancouver Curling Club and Riley Park Library, sources of funds to be \$6.48 million from Curling Venue Post-Olympic Conversion Fund and \$4.87 million from debenture funding in advance of the 2010 Capital Budget.

CONCLUSION

The post-Olympic conversion of the Vancouver Olympic/Paralympic Centre in Hillcrest Park will deliver three new major recreational facilities, as well as a new branch library. Approval of the funding will allow the conversion project to move forward, with the new public facilities opening in September 2011.

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