

Vancouver City Council Meeting

Hastings Park – PNE Master Plan

June 23, 2021

RTS14537



Territorial Acknowledgement

We acknowledge we are on the unceded territories of the x^wməθk^wəy'əm (Musqueam), Sk_wx_wú7mesh (Squamish), and Selílwitulh (Tseil-Waututh) Nations.

We thank them for having cared for these lands and waters since time out of mind, and look forward to working with them in partnership as we continue to build this great city together.

Report Recommendation

- A. THAT Council approve in principle the Amphitheatre Renewal project as outlined in this report.

- B. THAT Council direct staff to proceed to the planning and design phase of the Amphitheatre Renewal project, and provide Council an update prior to construction.

- C. That, subject to approval of Recommendations A and B, Council approve the addition of \$7.1M to the Multi-Year Capital Project Budgets and Annual Expenditure Budgets; sources of funding to be:
 - \$6.0M from the Capital Financing Fund to be added to the 2019-2022 Capital Plan for the planning and design work and preliminary project infrastructure upgrades associated with the Amphitheatre Renewal Project; and
 - \$1.1M from the approved 2019-2022 Capital Plan funding (Hastings Park Reserve) for implementation of Hastings Park Master Plan for site-wide infrastructure renewal.

Agenda

- 1) HP-PNE Master Plan Program update
- 2) Heart of the Park overview
- 3) Amphitheatre Renewal:
 - a) Rationale and benefits
 - b) Summary of analysis



1. HP-PNE Master Plan Program Update

**4200 EMPLOYEES
4 UNIONS**



**LARGEST
EMPLOYER
OF YOUTH**



**\$200M+ IN
ECONOMIC
IMPACT FOR
THE REGION**



**2.5 MILLION
VISITORS A YEAR**



**AFFORDABILITY
AND EDUCATION**



**\$1.5M+ IN
COMMUNITY
GRANTS,
SUBSIDIES AND
DONATIONS**



**10TH MOST LOVED
BC BRAND**



**7TH MOST LOVED
ATTRACTION
AMONGST
18-34 YEAR OLDS**



**AWARD WINNER
FOR
INNOVATION IN
ENVIRONMENTAL
STEWARDSHIP**



**RIGHTS
RECOGNITION,
DIVERSITY,
INCLUSION
AND ACCESS**





**ECONOMIC
DRIVER**

**ARTS, CULTURE
AND TOURISM**

**INVESTMENT
AND BUILDING
OUR
COMMUNITY**

**AFFORDABILITY
AND
EDUCATION**

**EQUITY,
DIVERSITY,
INCLUSION
AND ACCESS**

**YOUTH
MENTORSHIP
AND
DEVELOPMENT**

**CREATING
MEMORABLE
EXPERIENCES
YEAR ROUND**

HP-PNE | Site Overview



-  Hastings Park Boundary
-  Operated by Great Canadian Casinos with lease to COV
-  E-Comm 911
-  Area operated by Hastings Community Association
-  Area operated by Park Board
-  Area operated by PNE

Council Direction and Decisions

2010

**CITY COUNCIL
ADOPTS THE
HASTINGS PARK/PNE
MASTER PLAN**

2013

**CITY COUNCIL
APPROVES UPDATED
GOVERNANCE
STRUCTURE**

2016

**CITY COUNCIL
APPROVES IN PRINCIPLE
THE PLAYLAND
REDEVELOPMENT
PLAN**

Master Plan Goals

ENVIRONMENT AND PARK SPACE

INCREASED
GREEN SPACE FROM
27 TO 76 ACRES

REESTABLISH
HASTINGS CREEK TO
BURRARD INLET



PHYSICAL & SOCIAL CONNECTIONS

INCREASED
SOCIAL CONNECTIONS
AND COMMUNITY
BUILDING

EAST-WEST CITY
CONNECTION



BUILDINGS AND INFRASTRUCTURE

UPGRADED
BUILDING, SPACES
AND INFRASTRUCTURE

EAST SIDE
INVESTMENT



ECONOMIC VITALITY

REDEVELOPED
REVENUE GENERATING
ASSETS

INCREASED
EMPLOYMENT,
FINANCIAL
SUSTAINABILITY



Completed Work

ENVIRONMENT AND PARK SPACE

CREEKWAY PARK

EMPIRE FIELDS

SLIDEY SLIDES PARK

IDENTITY
AND SIGNAGE



PHYSICAL & SOCIAL CONNECTIONS

TEMPORARY
GREENWAYS

PARK AND TRAIL
IMPROVEMENTS



BUILDINGS AND INFRASTRUCTURE

LIVESTOCK BUILDING
SEISMIC UPGRADES
(partial)

GARDEN AUDITORIUM
ASBESTOS ABATEMENT
(partial)

PACIFIC COLISEUM
ICE PLANT UPGRADE

MAJOR BUILDING
SYSTEMS UPGRADES



ECONOMIC VITALITY



Future Work

ENVIRONMENT AND PARK SPACE

DAYLIGHTED STREAM

GATE 1 ENTRY

THE PARADE

FESTIVAL MEADOW

THE GREEN

THE ALLEE

THE GARDEN'S
GARDEN



PHYSICAL & SOCIAL CONNECTIONS

PERMANENT
GREENWAYS

PARKING

TRANSIT & ACCESS
IMPROVEMENTS

FESTIVAL PLAZA

MILLER PLAZA

LIVESTOCK BUILDING
ADAPTIVE REUSE



BUILDINGS AND INFRASTRUCTURE

UTILITY
INFRASTRUCTURE

IMPLEMENTATION

NEW ADMIN BUILDING

HP BACK OF HOUSE

AGRODOME UPGRADE

NEW EXHIBITION
SPACE



ECONOMIC VITALITY

AMPHITHEATRE
RENEWAL

PLAYLAND
REDEVELOPMENT





2. Heart of the Park

Heart of the Park | Site Context

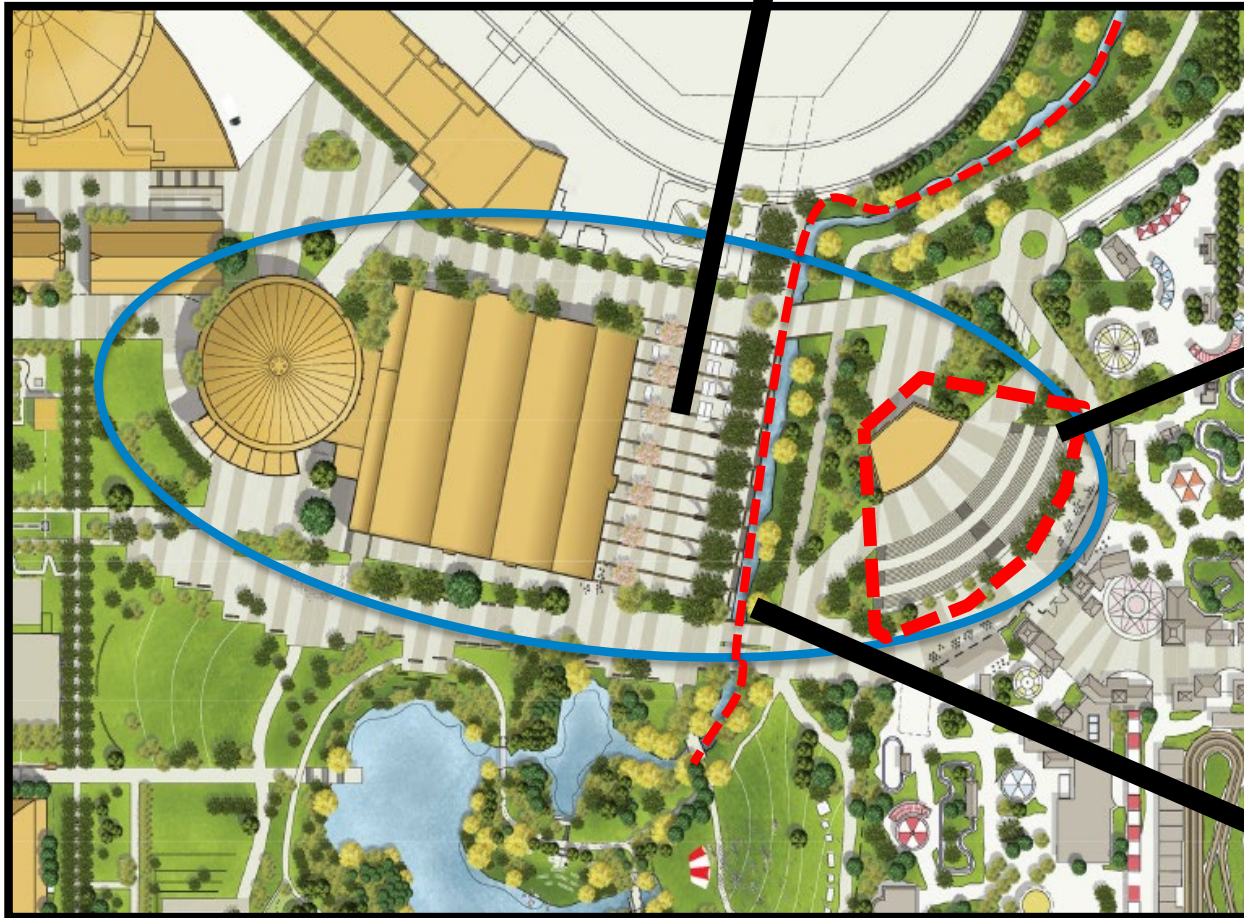


Heart of the Park | Overview

Festival Plaza

Amphitheatre

Daylighted Creek



Heart of the Park | Projects

Amphitheatre Renewal

- Renewal of existing entertainment and live events space
- Biggest impact project in the 'Heart of the Park'

Daylighted Creek

- Creation of an aquatic and terrestrial wetland with a strong focus on habitat, trails and boardwalks.
- Detailed Planning and Design to proceed once Amphitheatre Renewal design and construction drawings are complete.

Festival Plaza

- Potential future project of an urban plaza providing open space and amenities for year-round programming

Infrastructure

- Infrastructure assessments completed, including capacity review and renewable energy strategy
- Green Infrastructure and renewable energy strategy recommends electrification, RNG and solar panels
- End of life assets include substation, electrical transformers, comms cables, water mains and storm/sewer pipes.

Heart of the Park | Outline Schedule

2018 - 2020

2021 - 2022

2022 - 2024

2024 - 2026

**Amphitheatre Renewal
(led by REFM)**

Business Case

- Business case including:
 - Demand and market analysis
 - Redevelopment scenario evaluation
 - Funding and partnership strategy

Phase 1

Sub-Area Plan*

- Functional program
- Community and Indigenous engagement
- Sub-Area Plan for "Heart of the Park"
- Class D cost estimate
- Provincial & First Nations Archaeological Permits

Phase 2

Detailed Design

- Schematic design
- Design development
- Construction documents
- Development permit
- Building Permit

Construction

- Construction
- Occupancy
- Final Completion

**Infrastructure
(led by PNE & ENG)**

Planning & Pre-Design

- Capacity upgrade assessment
- Green Infrastructure and Renewable energy strategy

Design

- Schematic design
- Design development
- Construction documents
- Provincial & First Nations Archaeological Permits

Construction

- Construction

**Creek Daylighting
(led by ENG & Park Board)**

Planning

- Creek Alignment
- Environmental Set-backs

Scoping & Feasibility

- Provincial & First Nations Archaeological Permits
- Hydrological Analysis
- Technical requirements

Pre-Design

- Options Analysis
- Funding strategy
- Environmental approvals

Current Capital Plan

*Sub-Area Plan includes Festival Plaza, Daylighted Creek and Amphitheatre only



3. Amphitheatre Renewal

GROWTH CATALYST

REVITALIZED VENUE WILL BE A CATALYST FOR COMMERCIAL EVENT GROWTH, INCREASED ARTS AND CULTURE ACCESS, AND WILL GENERATE REVENUE

REMOVE BARRIERS

PROVIDES INCREASED VENUE SPACE FOR THE EVENTS INDUSTRY, ARTS, CULTURE AND COMMUNITY GROUPS

STRATEGIC ALIGNMENT

CULTURE SHIFT, MUSIC STRATEGY, TOURISM MASTER PLAN, ECONOMIC ACTION STRATEGY, HEALTHY CITY STRATEGY
RIGHTS RECOGNITION

COMMUNITY BUILDING

INCREASES PUBLIC ENGAGEMENT AND PARTICIPATION IN ARTS AND MUSIC. PROMOTION OF A LOCAL SUSTAINABLE MUSIC, FESTIVALS AND PERFORMANCE INDUSTRY

FINANCIAL SUSTAINABILITY

INCREASES REVENUE AND MARGINS AT THE PNE TO SUPPORT INCREASED MAINTENANCE ARISING FROM THE MASTER PLAN WHILE BOOSTING THE LOCAL MUSIC AND EVENT INDUSTRY

ECONOMIC RECOVERY

FACILITATES ECONOMIC RESTART AND RECOVERY
FACILITATES RECOVERY OF MUSIC, ARTS AND CULTURE INDUSTRIES
SUPPORTS TOURISM AND EMPLOYMENT

**EXTEND
THE SEASON FROM
5 TO 12 MONTHS
PER YEAR**



**INCREASE ANNUAL
COMMUNITY EVENTS
FROM 0 TO 22**

**INCREASE TOTAL
ANNUAL EVENTS
FROM 5 TO 49**



**INCREASE CAPACITY
FROM 7000 TO ~9300**



**IMPROVED AMENITIES
INCLUDING SEATING,
FOOD AND BEVERAGE,
TICKETING, PUBLIC
WASHROOMS,
ACCESSIBILITY,
FLEXIBLE GROUP
SPACE, WIFI**



**OPPORTUNITY TO
SCALE PERFORMANCE
SIZE TO NEEDS
THROUGH FLEXIBLE
FLOOR SPACE**



**INCREASE ANNUAL
REVENUE FROM
\$1.4M TO \$9.7M**



**IMPROVED AND
INCREASED ACCESS
AND DIVERSITY
OF USERS**



**INCREASED
EMPLOYMENT
ON SITE**



ECONOMIC IMPACT

**MUSIC IS WORTH
\$2.2B TO VANCOUVER**

EMPLOYMENT

**MUSIC ECOSYSTEM
SUPPORTS 14,540 JOBS,
INCLUDING 7,945
DIRECT MUSIC JOBS**

INCOME AND WAGES

**EMPLOYMENT IMPACT OF
VANCOUVER'S MUSIC
INDUSTRY IS OVER
\$520M ANNUALLY**

ADDITIONAL ECONOMIC REVENUE

**MUSICIANS, MUSIC
FESTIVALS AND MUSIC
VENUES GENERATE \$172M
PER YEAR IN ADDITIONAL
REVENUE**

EPICENTRE FOR MUSIC

**BC IS 3RD LARGEST
CENTRE FOR MUSIC
PRODUCTION AND LIVE
MUSIC IN CANADA, WITH
160 RECORDING STUDIOS,
OVER 285 MUSIC
COMPANIES AND MORE
THAN 400 FESTIVALS
PER YEAR**

ANTICIPATED FUTURE GROWTH

**ANTICIPATED FUTURE
INCREASE IN
ATTENDANCE, IN FILL
RATES AND MORE SHOWS
BOOKED BY PROMOTERS**

Amphitheatre Renewal | Business Case Conclusions

- The event industry has shown a strong performance track record and anticipated continued growth in events / attendance*
- Flexible venue space that can serve 2,000 to 10,000 capacity events will fill a major gap in the local venue market
- Large venue capacity and an extended operating season provides the highest level of public and economic benefits
- Project budget \$64.8m** (inclusive of \$2.2m cost reductions through value engineering)
 - Forecasted financials show a strong economic return
 - 12 year payback, \$49m NPV, 9% IRR
 - Multiple redevelopment scenarios assessed and mid level upgrade recommended
 - Significant labour relations issues exist with pursuing a P3 partnership model, but other partnership options exist for sponsorship, naming rights and booking/access rights
 - Opportunity to pursue private sector equity and financing to reduce City funding pressures
 - Amphitheatre Renewal will be a key component of economic recovery for the PNE and the events industry
- PNE Board of Directors approved Amphitheatre business case and funding strategy in Oct 2020

* Market assessment conducted in Q4 2018

** 2025 \$

Amphitheatre Renewal | Market Analysis

- **Local Market Summary:**

- Overall market size has grown and is consistent with projected population growth
- The event industry is historically strong and anticipates future growth
- Despite strong historical growth in demand, the supply of local venues is seen as a concern by the local event industry

- **Market Opportunity:**

- Flexible venue space that can serve 2,000 – 10,000 capacity events will fill a major gap in the local venue market
- Large venue capacity and extended operating season provides the greatest financial opportunity
- Over 70% of industry survey respondents would be interested in utilizing the venue

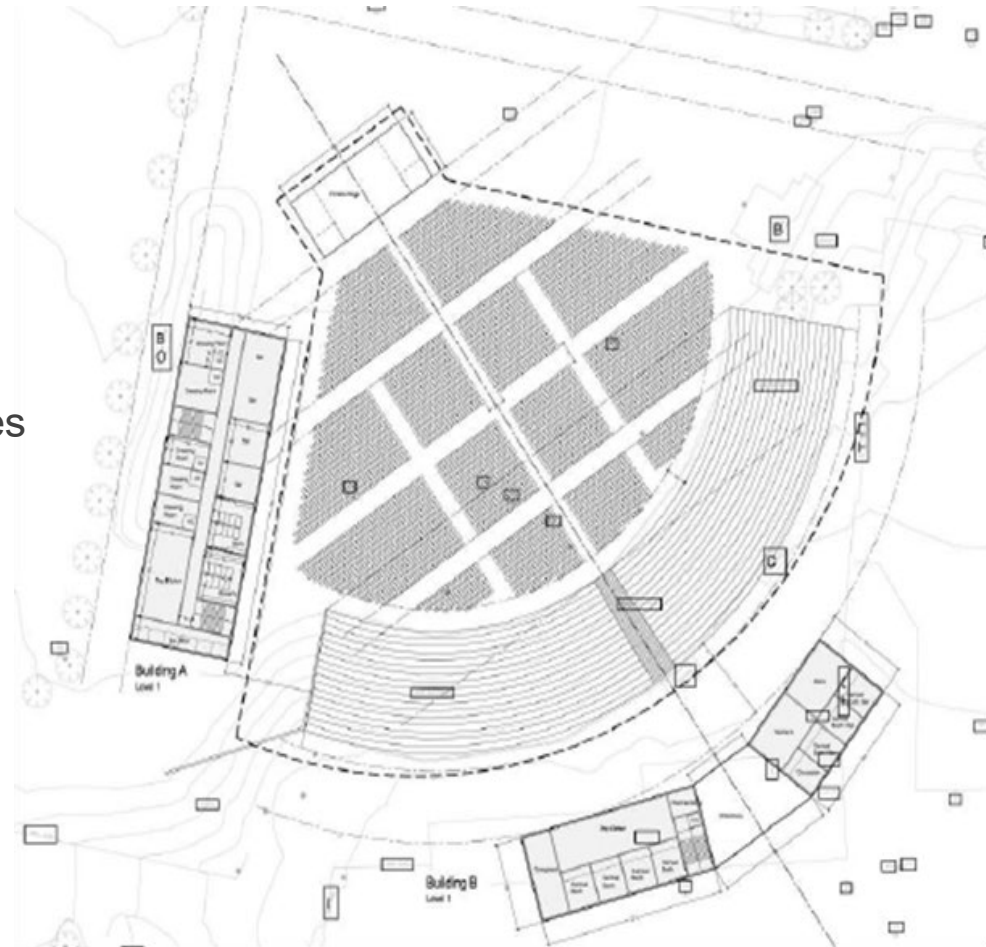
Amphitheatre Renewal | Design Vision

- **Design Priorities:**

- Improved sound / acoustic design to minimize impact to the neighbourhood
- Covered seating to improve guest experience and extend operating season
- Flexible floor plans and scalable ticketing to offer flexibility to event producers
- Permanent back-of-house infrastructure to reduce set-up costs for community and cultural groups
- Improved guest amenities including accessibility, utility infrastructure, washrooms, concessions and Wi-Fi

Amphitheatre Renewal | Potential Layout

- A mid-level venue upgrade is recommended to optimize public and economic benefits. This redevelopment scenario includes the following:
 - Increased capacity to 9,340
 - Covered stage, floor and bleachers
 - Two two-story buildings with permanent back-of-house infrastructure and improved guest amenities
 - Capacity for 590 in flex-space /suites



Amphitheatre Renewal | Rendering Study



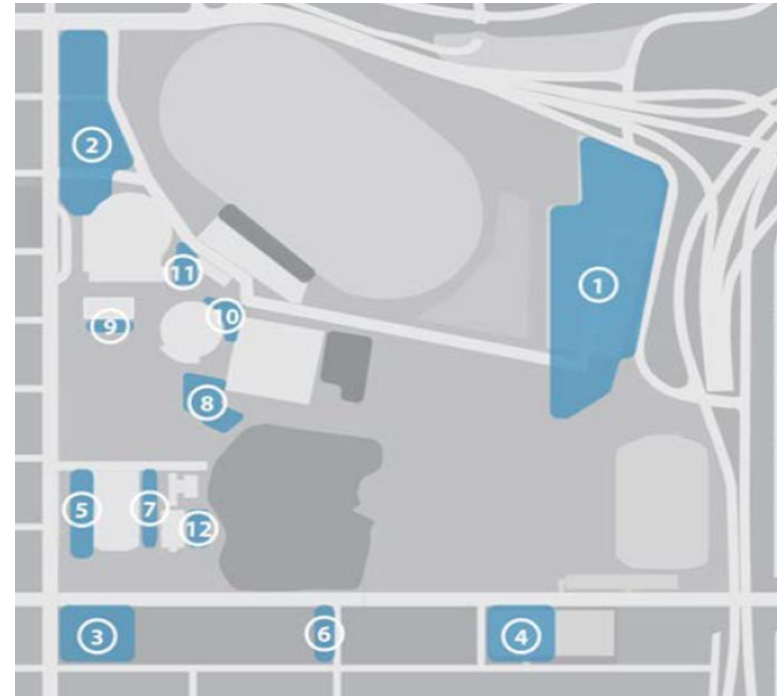
* Potential Amphitheatre illustration from Business Case – not final design

Amphitheatre Renewal | Impact Mitigation

- **Sound Management:** Sound management is a top design priority for a redeveloped Amphitheatre including considerations for:
 - Backstage wall with sound baffling materials
 - Noise attenuation wall in the northeast portion of the Amphitheatre footprint
 - Noise reduction panels form the roof
 - Directional speakers to focus sound within the venue

Amphitheatre Renewal | Impact Mitigation

- **Traffic and Parking:** The increased seating and potential events from the new Amphitheatre will have a negligible impact to on-street parking.
- Recommendation to facilitate future mode shift and reduction of parking demand through:
 - Dedicated passenger loading areas
 - Carpool-only lots for ride sharing
 - Improved onsite bicycle storage
 - Enhanced pedestrian and bike greenways



Hastings Park Existing Off-Street Parking

Amphitheatre Renewal | Infrastructure

- **Renewable Energy Strategy:**

- Mitigates costs associated with reducing GHG emissions
- Refined electrical loads for electrification
- Options assessment recommends a hybrid approach to GHG reduction including electrification, renewable natural gas (RNG) and solar panels installed onsite
- Anticipates annual GHG savings of 521 tonnes of CO₂e/year

- **Infrastructure Design and Construction:**

- Replacement of end of life infrastructure assets required for Amphitheatre (substation upgrade, electrical transformers, comms cables, water mains and storm/sewer pipes)
- Construction of water, storm water and sanitary sewer capacity upgrades for the Amphitheatre

Amphitheatre Renewal | Partnership and Delivery

Partnership Model to leverage private sector equity and financing:

- 1) PNE to pursue naming rights and sponsorship
 - PNE sponsorship and naming rights policy aligned to CoV

- 2) PNE to pursue direct negotiation for booking/priority access rights
 - Current partnership EOI proposals are a good starting point

Delivery:

- 1) RFP for planning and design, and Construction to be publically tendered
 - Clear and detailed requirements developed
 - Clear, competitive and transparent process
 - Robust form of agreements employed

PNE Financial Summary

1) PNE has historically achieved positive net income

	FY2017	FY2018	FY2019	FY2020 (projected)*
Revenue	\$55,546,193	\$55,499,380	\$60,976,282	\$14,587,852
Expenses	\$53,122,727	\$53,586,843	\$59,644,874	\$22,631,300
Annual Surplus	\$2,423,466	\$1,912,537	\$1,331,408	(\$8,052,448)
Accumulated Surplus (end of year)	\$4,369,087	\$6,281,624	\$7,613,032	(\$439,416)

* Canada Emergency Wage Subsidy not included in FY2020 projected actuals

Note: Facility capital maintenance & renewal all funded through City Capital Plan; not reflected in the above financials

2) Financial performance has been significantly impacted by COVID-19

Funding | Overview

- Funding Sources:
 - Hastings Park Reserve – funding for site-wide end of life infrastructure upgrades
 - Capital Financing Fund – repayable loan to finance Amphitheatre renewal
- Partnerships for sponsorship, naming rights and booking/access rights
- Federal and provincial funding opportunities

Project Budget & Funding Sources - \$69.7M

\$69.7M Project estimate:

\$64.8M Amphitheatre Renewal		
\$10.8M Planning & design and infrastructure	\$4.8M already approved from HP Reserve	
	\$6.0M required funding from CFF	} \$60M CFF limit
\$54.0M Future construction*		
\$4.6M Site Wide Infrastructure Renewals		
\$3.5M Site wide renewals	\$3.5M already approved from HP Reserve	
\$1.1M Site wide renewals (additional)	\$1.1M required funding from HP Reserve	
\$0.3M Daylighted Creek Planning		
\$0.3 Preliminary design	\$0.3M already approved from Parks DCL	

* Includes \$2.2M targeted reduction through value engineering

Impacts | COVID-19

70% reduction in Playland operating days for 2020 (reopened July 2020)

~75% reduction in PNE 2020 fiscal year revenue

2020 in-person events and concerts cancelled

Staff furloughs

Increased PNE credit line to (\$10M) mitigate potential COVID impacts. Not yet required

Business focus shifted to drive through events and as a venue for film rentals in 2020

Reduced capacity events for summer 2021

Provincial assistance of \$8m sought

Industry forecasts do not anticipate negative impact from COVID-19 past 2021 (based on research of 1000 industry professionals)

Economic rebound predicted by Economic Forecast Council: Growth in BC of 4.7% in 2021 and 4.3% in 2022

Event market is showing pent up demand for tours and performances in late 2021 and 2022

Strong calendar bookings for Q3 and Q4 2021

Public and Unions

- Extensive community engagement and focus as part of public consultation (Nov 2010)
- PNE Community Advisory Group (2017-2020)
- Arts and culture community (2018)
- PNE Neighbourhood Focus Group (2018 & 2019)
- Public information sessions (Feb 2020)
- Talk Vancouver Survey (Feb 2020)
- Union update (Feb & Oct 2020, June 2021)

Reconciliation

- Archeological overview assessment shared with Musqueam Indian Band, Squamish Nation, and Tsleil-Waututh Nation (2019)
- Referral letter shared (May 2021)
- First Nations and Japanese-Canadian community to be engaged as part of planning and design process

Report Recommendation

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Questions

