

Date: October 6, 2007



TO: Board Members – Vancouver Park Board
FROM: General Manager – Parks and Recreation
SUBJECT: Trout Lake Ice Rink

RECOMMENDATIONS

- A. THAT the Board approve a revised project budget of \$15.94 million for the realization of this project.*
- B. THAT the Board gratefully accept a donation of \$250,000 from the Grandview Community Centre Association.*
- C. THAT the Board reallocate \$1.2 million from the Renfrew Pool Change Room project to the Trout Lake Rink.*
- D. THAT the Board include sufficient funding in the Parks allocation from the 2009-2011 Capital Plan to realize the Renfrew Pool Change Room project.*
- E. THAT the Board request Council to allocate up to \$1,660,000 towards this project from the VANOC contribution to the post Olympic conversion of the Hillcrest Centre.*
- F. THAT the Board instruct staff to pursue funding from external sources to reduce the civic contributions to this project.*
- G. THAT the rink be built to the LEED Silver standard and the entire Trout Lake complex (Rink and Community Centre) be developed to meet the LEED Gold standard..*

POLICY

The Board approves capital expenditures.

BACKGROUND

As part of the Community Legacy Program associated with the 2010 Winter Olympics, Board and Council in September 2006 increased the amount of funding for the Trout Lake Rink Replacement Project to \$12.83 million. This is made up of \$2.5 million from VANOC, \$ 7.5 million in 2006-08 Capital Plan; \$2.5 million by way of an advance from City Council to the Park Board (to be repaid out of cash flow post 2010 when the golf

course loan has been retired), and \$330,000 from DCL revenues related to park development work adjacent to the building.

DISCUSSION

Cost escalation continues to affect the Trout Lake Rink Project. The consultant team (Walter Francl Architects) and the construction manager (Bird Construction) have been actively reviewing the design and specifications and numerous alterations have been made to reduce the construction costs. The best available estimate to date pegs construction costs at \$13,700,000. The construction market continues to be challenging, with some bids even exceeding the estimates of the most seasoned industry professionals. Aside from market conditions there are four site and design specific challenges to this project:

1. The rink project includes installation of new water, sewer, electrical and gas utilities sized large enough to service both the new rink and the future community centre.
2. Siting and height considerations relative to the park and the adjacent neighbours require the building to be set into the ground, resulting in a significant amount of excavation.
3. The iconic roof design and associated glazing, while creating the appropriate blending of the building with its park environment is associated with a cost premium over a flat roof.
4. The original concept was that the new rink would be designed to stand-alone LEED Gold standards, despite the fact it is only the first phase of the eventual full replacement of Trout Lake Community Centre Complex. The best way to achieve the LEED Gold certification is to capitalize on the synergies that will be available when the new Community Centre is added to the Rink. Therefore at this time the Rink is recommended to be built to the Silver standard, but that with the future addition of the Community Centre the entire complex will be developed to meet the Gold standard. This change would be associated with a cost saving of up to \$250,000, which is an assumption of the cost estimates provided below.

The revised budget for the project is allocated as follows:

Construction	\$13,700,000
Consultants	\$ 1,356,000
Permits	\$ 211,000
Contingency	\$ 500,000
Miscellaneous	<u>\$ 173,000</u>
	\$15,940,000

Funding committed to the project is as follows:

2006 – 2008 Capital Plan	\$10,000,000
VANOC Capital Contribution	\$ 2,500,000
DCL	\$ 330,000
Community Association	<u>\$ 250,000</u>
Current Funding	\$13,080,000

The funding shortfall to complete the project as designed is \$2,860,000.

Staff has considered a number of alternatives to reduce the funding shortfall in addition to the LEED certification proposal outlined above. These include:

Identify Alternate Funding:

Staff has pursued an opportunity with one of the Olympic partners and another opportunity involving the wood industry and the use of Stanley Park lumber as the source for the glulam beams in the structure. Neither opportunity is at a stage of fruition, but unfortunately the tendering process needs to proceed to adhere to the time table. Should either of these alternatives prove successful, staff will report back to the Board and Council as appropriate.

Further Cost Savings:

- A further cost saving would be not to build the skaters lounge portion of the building, This might result in reduction in the order of \$400,000 and would defer construction of this piece to a future date. While the new rink could operate by using the existing lounge, it would likely cast a pall of incompleteness over the project. Staff does not recommend this choice at this time.
- Redesign to include a more or less flat roof would take some 3 to 4 months, during which cost escalation would continue. A revised development permit would have to be obtained. The timeline would likely compromise the Olympic deadline and a portion of the potential cost savings would be negated by cost escalation. The aesthetic result would negatively impact the park and the adjacent neighbourhood. Staff does not recommend this approach.
- Not building the facility at this time is not an option since it compromises the City's legal obligations to deliver this building. A post Olympic construction would also reduce project funding by \$2.5 million since VANOC's contribution would no longer be available.

Staff recommends the following funding sources to complete the Trout Lake Rink Project at the currently estimated \$15,940,000:

1. Complete Design for Renfrew Pool Change Rooms but Defer Construction

The Board's 2006-08 Capital Plan provides a \$1.4 million allocation for new change rooms at Renfrew Pool. These funds are scheduled to be included in the 2008 Capital Budget. Design would take most of 2008 and construction would start in

2009. Unfortunately the budgeted amount is now insufficient to complete the contemplated project as a result of construction market conditions and additional funding would have to be sought as a priority from the 2009-2011 Capital Plan to realize this project. Staff suggests that \$1.2 million be reallocated to the Trout Lake project. The design for the Renfrew change rooms would cost no more than \$200,000 and can take place as scheduled in 2008. On the assumption that funding for the Renfrew Pool can be provided in the next plan and allocated in the 2009 Capital Budget, construction could proceed in accordance with the original timetable and with an adequate amount of funding. Discussions have taken place with representatives of the Renfrew Community Centre Association and they are supportive of this concept.

2. Hillcrest Centre Conversion Fund

VANOC has provided a \$10 million contribution to the conversion of the Hillcrest Centre to its post Olympic configuration (Community Centre, Community Ice Rink, Curling facility and branch library) following the Games. With interest earned, the contribution was intended to fund the full cost of \$12.35 million (2012). In April 2007, Council allocated \$1.9 million of this funding to a shortfall in the Percy Norman Pool replacement which is part of the Hillcrest development.

Allocating the balance of the necessary funding (\$1,660,000) from this fund will reduce the conversion funding available. In order for the building to be converted to its post Olympic configuration, additional funding will have to be provided from the 2009 – 2011 Capital Plan. Based on the last estimated conversion cost, between \$4.0 million and \$5.0 million will be necessary in addition to the cost of completing the branch library planned for the building. However, given the status of the current capital plan, staff are of the view that this is the most appropriate source of funds if Council wishes to proceed with the building as currently contemplated.

SUMMARY

The construction budget of the Trout Lake rink project has now been estimated to be \$13.7 million, some \$2.86 million short of present funding. A reallocation of Park Board funds and a reallocation of City funds are proposed to address this shortfall. These reallocations would need to be compensated for in the 2009-2011 Capital Plan. Approval is also being sought to defer the LEED Gold certification until the new Community Centre is built.

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