

HALIFAX

Arena Consolidations – Long Term Arena Strategy

Regional Council – July 29, 2014
(previously presented to the Joint
Meeting of Community Planning and
Economic Development & Audit and
Finance Standing Committees on June
5, 2014)

July 29, 2014

Agenda

- History & Origin
- Council Direction – LTAS
- The Opportunity
- Process of Consolidation
- Summary of Analysis & Key Findings
- Site Selection
- Partnership Opportunities
- Scenarios & Risk Factors
- Recommended Scenarios
- Proposed Implementation
- Recommendations

Arena Consolidations

June 5, 2014

The logo for HALIFAX is displayed in white, bold, uppercase letters. It is centered within a dark blue, trapezoidal shape that has a lighter blue diagonal stripe running from the top-left to the bottom-right. The shape is positioned in the bottom right corner of the slide.

HALIFAX

History & Origin

- Late 2007 - Short Term Arena Strategy (STAS) was initiated as an early deliverable of the Community Facility Master Plan
- April 2008 STAS – Approval to develop RFP to initiate partnership discussions with private sector for a new 4-Pad
- January 2010 – Long Term Arena Strategy (LTAS) initiated
 - Council approved, community led committee
 - Skate Canada – NS Figure Skating; Speed Skating NS, Ringette NS, Hockey NS, Lacrosse NS, Sport NS, PNS Health & Wellness, recreational hockey and skating, off season arena usage, HRM Councillors
- November 2010 - Opening of the BMO Centre
- August 14, 2012 - LTAS approved by Regional Council
 - Outlined consolidations for replacement of aging arenas
 - Recommended demolition of Forum and construction of 4-pad on site, followed by 4-Pad in Dartmouth
- June 5, 2014 – Completion of Consolidation Analysis
 - Recommendations regarding partnerships, locations and timing

Council Direction - LTAS

1. **Approve the Long Term Arena Strategy in principle with the exception of the timeline for the Peninsula and Dartmouth consolidations and the location of the Peninsula 4-Pad and direct staff to undertake further assessment of those aspects based on new information received since the completion of the strategy; (This report)**
2. **Direct staff to complete the project scope including consideration of partnership opportunities, capital costs, operational efficiencies, ice inventory, preliminary designs and public consultation for the Peninsula and Dartmouth consolidations and return to Regional Council for approval of an implementation plan; (This report)**
3. Direct staff to implement the Centralized Scheduling Process as outlined in the Long Term Arena Strategy; (Manual process complete)
4. Direct staff to implement the Community Access Plan as outlined in the Long Term Arena Strategy; (Completed)
5. **Direct staff to approach other levels of government and potential private sector partners for funding assistance; and (This report)**
6. Officially thank the committee members for their work and disband the Long Term Arena Strategy Committee as their mandate has been completed. (Completed)

The Opportunity....

The consolidations can be more than just replacement of aging arenas....

They can be transformative and community building....

Consolidation Recommendation Approach

- Step 1: Council Direction
- Step 2: Site Selection Analysis
 - Analysis of 16 sites
 - Preliminary Site Evaluation Report
- Step 3: Preliminary Analysis
 - 6 short listed sites, Shannon Park Analysis
- Step 4: Potential Facility Configurations
 - JDA Architects Concept Design and Site Analysis
- Step 5: Concept Design and Site Analysis
 - JDA Architects Concept Design and Site Analysis
- Step 6: Review of Partnerships and detailed scenario analysis
- Step 7: Financial Analysis
 - Business Case

Summary of Analysis & Key Findings

- 25 ice surfaces required in the region
- Halifax arenas at higher risk to fail than other arenas
- Sixteen sites were evaluated – six short-listed sites, plus Shannon Park
- Most cost effective model – replace aging, single arenas into a 4-Pad
- Two partnership and one unsolicited alternative proposals - Halifax
- No partnership proposals - Dartmouth
- Canadian Forces Base Halifax proposal for 4-pad in Windsor Park - best overall economic and community value for in Halifax
- Commodore Drive site - best site in Dartmouth. Transfer of Shannon Park site creates opportunity for community building possibilities
- 4-pad arena should be built in Dartmouth – with timeframe that allows consideration of recreation/events campus on Shannon Park
- All displaced, aging arenas should be declared surplus to municipal recreation needs

Site Selection

- Short list options

Halifax Sites	Dartmouth Sites
Halifax Forum Site, Windsor Street	Commodore Drive
Connolly Street, CFB Halifax	Maybank Fields, Woodland Avenue
South Street, across from IWK Hospital	The Quarry, Dartmouth Crossing
	Shannon Park*

- Recommended sites
 - Halifax – Connolly Street
 - Dartmouth – Commodore Drive or Shannon Park*

Connolly Street Site



Arena Consolidations

June 5, 2014

HALIFAX

Commodore Drive Site



Arena Consolidations

June 5, 2014

HALIFAX

Shannon Park

- Early 2014 - Canada Lands Company received title
- Opportunity to co-locate recreation amenities, potential transportation services and housing development
- “Urban Local Centre” - mix of medium to high density residential, commercial, institution and recreation uses with all day public transit connections
- Has the potential to become a multi-modal transportation hub, connecting passengers from Sackville, Dartmouth, and beyond, with the Halifax waterfront.
- Co-location of major recreation amenities and transportation hub could act as a catalyst for community building initiatives.

Partnership Opportunities

Halifax Partnership Proposals

- Joint 2-Pad partnership proposal from Dalhousie & Saint Mary's
- Renovation and expansion proposal from Halifax Forum Community Assoc.
- 4-Pad partnership proposal from CFB Halifax

Dartmouth Partnership Proposals

- No partnership proposals received

Dartmouth Scenarios

- 4-Pad Consolidation
 - Build new facility on Commodore Drive or Shannon Park
 - Surplus Gray, Bowles, Lebrun & Centennial Arenas
- 3-Pad Consolidation
 - Build new facility on Commodore Drive or Shannon Park
 - Surplus Gray, Bowles and Lebrun Arenas
 - Recapitalize Centennial Arena
- “Feedback” Scenario
 - Build new 3-Pad arena on Commodore Drive
 - Retain Gray, Bowles and Lebrun Arenas
 - Recapitalize Centennial Arena

Dartmouth Consolidation

Estimated Scenario Costs over a 25 year period			
	Scenario 1 4-Pad	Scenario 2 3-Pad	“Feedback” Scenario
Capital Cost	\$43.0M	\$41.1M	\$48.5M
Estimated Sale of Land Proceeds*	(\$5.2M)	(\$3.8M)	\$0M
Estimated Demolition Costs**	\$1.3M	\$1.0M	\$0M
Net Capital Cost	\$39.1M	\$38.3M	\$48.5M
Net Operating Deficit (Surplus)	(\$12.3M)	(\$4.7M)	\$7.4M
Total Net Cost over 25 years	\$26.8M	\$33.6M	\$55.9M

*Assumes sale of all surplus properties

** Assumes demolition of all surplus buildings

Halifax Scenarios

- CFB Halifax Proposal
 - Build 4-Pad on CFB lands, replace existing CFB field
 - Partnership with CFB Halifax
 - Surplus Shannon Park, Forum, Civic & Devonshire Arenas
- Joint University Proposal
 - Build 2-Pad on South Street, partnership with Dal & SMU
 - Recapitalize Forum & Civic Arenas
 - Surplus Devonshire Arena
- Forum Alternative
 - Recapitalize Forum & Civic Arenas,
 - Add third pad and gym to Forum site
 - Surplus Devonshire Arena
- “Feedback” Scenario
 - Recapitalize Forum & Civic Arenas, add third pad to site
 - Partner with Universities on 2-Pad
 - Surplus Devonshire Arena

Halifax Consolidation

Estimated Scenario Costs over a 25 year period

	Scenario 1 4-Pad with CFB	Scenario 2 2-Pad with Universities	Scenario 3 3-Pad (Forum Proposal)	"Feedback" Scenario
Capital Cost	\$33.8M	\$23.2M	\$39.0M	\$55.0M
Estimated sale of land	(\$18 - \$30M)	-	-	-
Est. demolition costs	\$2.3M	\$0.3M	\$0.3M	\$0.3M
Net Capital Costs	\$6.1 - \$18.1M	\$23.5M	\$39.3M	\$55.3M
Net Operating Deficit (Surplus)	(\$9.2M)	(\$3.4M)	(\$13.9M)	(\$13.9M)
Total Net Cost over 25 years	(\$3.1M) to \$8.9M	\$20.1M	\$25.4M	\$41.4M
Net 25 Yr Cost Without Bingo	(\$3.1M) to \$8.9M	\$34.9M	\$39.4M	\$55.4M

Risk Factors – Halifax Scenarios

		Scenario 1	Scenario 2	Scenario 3
		CFB Halifax Partnership Proposal 4-Pad	Joint Proposal Dalhousie & Saint Mary's Universities 2-Pad	Halifax Forum Community Association 3-Pad
1	Timeline	Delays depending on agreement with CFB; Potential funding or agreement delays; complicated multi-level negotiations	Planning amendments require approximately 10-12 months to complete prior to construction; complicated multi-level negotiations	Requirement for coordination of work on site while building remains operational
2	Land & Arena Ownership	Requires ownership structure resulting in time delay	Requires ownership structure resulting in time delay	n/a
3	Construction Challenges	Coordination with DND	Coordination with SMU and Dal and potentially PNS, depending on land ownership; Complexities due to elevated slabs	Retrofitting while building still operational; heritage aspects increase challenges and costs. Anticipated unknown costs due to refurbishment of aging facility

Risk Factors – Halifax Scenarios

		Scenario 1	Scenario 2	Scenario 3
		CFB Halifax Partnership Proposal 4-Pad	Joint Proposal Dalhousie & Saint Mary's Universities 2-Pad	Halifax Forum Community Association 3-Pad
4	Land Value and Sales	Value of Land assumed in in CFB Halifax contribution through grant. Federal Grant to offset land value may not be realized (approximately \$2M HRM share); Estimated Sale of Land for Forum site \$18-30M, subject to market value at time of disposal.	Lack of formal confirmation regarding land acquisition. If Provincial donation of land not realized, requirement to purchase land valued at \$8M+ (\$4M HRM portion).	n/a
5	Parking	n/a	Underground parking due to site constraints; parking garage not included in project costs; shared access between various users; Fees for some users; traffic control required for events.	Existing parking challenges during events; on street parking capacity constraints.

Risk Factors – Halifax Scenarios

		Scenario 1	Scenario 2	Scenario 3
		CFB Halifax Partnership Proposal 4-Pad	Joint Proposal Dalhousie & Saint Mary's Universities 2-Pad	Halifax Forum Community Association 3-Pad
6	Shannon Park Arena	Shannon Park Arena to be operated until proposed facility is opened.	Shannon Park Arena closed in short term; Reduction in ice inventory with impacts to user groups.	Shannon Park Arena closed in short term; Reduction in ice inventory with impacts to user groups.
7	User Impacts	Relocation of exhibition capability and bingo; some Dartmouth users relocated to CFB site from Shannon or displace DSP users; expect universities at new site.	Dartmouth & Cole Harbour users impacted by Shannon Park closure and resulting reduction in available usage at Shearwater (Expected loss 38 hours).	Dartmouth & Cole Harbour users impacted by Shannon Park closure and resulting reduction in available time at Shearwater (Expected loss 38 hours); expect universities at Forum.

Risk Factors – Halifax Scenarios

		Scenario 1	Scenario 2	Scenario 3
		CFB Halifax Partnership Proposal 4-Pad	Joint Proposal Dalhousie & Saint Mary's Universities 2-Pad	Halifax Forum Community Association 3-Pad
8	Operating Conditions	Requires agreement with CFB Halifax; staffing model; operating model, etc.	Requires agreement with Dal and SMU on staffing model, operating model, etc.	Ongoing risks related to Board governance as outlined in MDF report; Significant reliance on licensed bingo.
9	Urban Context	Benefits regional centre planning and redevelopment.	Complicated site; potential conflicts with IWK emergency access/parking; limited on-street parking; zoning change required, community support unknown.	Low impact; maintains large block without option for redevelopment.

Recommended Scenarios

- **Halifax - Partner with CFB Halifax on 4-Pad in Windsor Park**
 - Best net capital cost option by \$5.4 to \$17.4M
 - Best 25 year total cost option by \$11.2M to \$23.2M
 - Best operating efficiencies
 - Highest reduction of aging assets
 - Community redevelopment opportunities
- **Dartmouth – HRM construct 4-Pad on Commodore Drive or Shannon Park**
 - Best total cost scenario
 - Best operating efficiencies
 - Highest reduction of aging assets
 - Potential community building opportunities

Proposed Implementation

- Negotiate partnership agreement with CFB Halifax
- Concurrent user group and community consultation on new 4-Pad
- Award RFP for Peninsula Design Build & Pre-Opening Services in 2015
- Regional Council confirmation of Dartmouth site after Shannon Park analysis
- Target to open new Peninsula 4-Pad in September 2017

Proposed Implementation

- Declare Devonshire, Halifax Forum, Civic and Shannon Park Arenas surplus to recreation needs concurrent with new Peninsula facility
- Consultation with user groups on Dartmouth multi-pad design in Fall 2016
- Award RFP for Design Build & Pre-Opening Services for Dartmouth in early 2017
- Target to open new Dartmouth 4-Pad in September 2019
- Declare the Bowles, Gray, Lebrun and Centennial Arenas surplus to recreation needs concurrent with new Dartmouth facility

Recommendations

1. Direct staff to commence planning for the construction of a 4-pad arena at Windsor Park to replace the Halifax Forum, Civic, Devonshire and Shannon Park arenas targeted to open in 2017;
2. Direct staff to negotiate a partnership agreement with Canadian Forces Base Halifax for construction of the Halifax 4-Pad arena and return to Council for approval of the agreement and subsequent construction;
3. Declare Halifax Forum and Civic arenas as surplus to recreation needs upon the completion of a partnership agreement for the Halifax 4-Pad and direct staff to commence master planning of the property;
4. Declare the Devonshire arena building surplus to recreation needs upon completion of the Halifax 4-Pad arena and direct staff to initiate the process to demolish the building and retain the land for future recreation needs;
5. Direct staff to commence planning for the construction of a 4-pad arena in Dartmouth to replace the Gray, Bowles, Lebrun and Centennial arenas targeted to open in 2019;
6. Direct staff to investigate the potential for locating the Dartmouth 4-Pad on Shannon Park lands and return to Council for final confirmation of the location;
7. Declare Gray, Bowles, Lebrun and Centennial arenas surplus to recreation needs upon the completion of the Dartmouth 4-Pad arena and direct staff to review the properties under Administrative Order 50;
8. Direct staff to include the arena projects in the strategic capital projects to be considered by the Audit & Finance Standing Committee for determination of capital priorities and funding strategies; and
9. Direct staff to continue to explore funding from other levels of government and potential private sector partners.