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The Corporation of **THE CITY OF NORTH VANCOUVER**
STRATEGIC & CORPORATE SERVICES DEPARTMENT

INFORMATION REPORT

To: Mayor Linda Buchanan and Members of Council

From: Robert Skene, Deputy Director, Strategic and Corporate Services

Subject: HARRY JEROME COMMUNITY RECREATION CENTRE AND SILVER HARBOUR PROJECT UPDATE

Date: February 3, 2023 File No: 02-0800-30-0028/1

SUMMARY

The new Harry Jerome Community Recreation Centre | Silver Harbour Seniors Activity Centre project (HJCRC/SH) is on track for completion by the end of 2025. Bulk excavation is complete and work on the foundation is progressing. The budget for the complex has now been updated to \$230 million, and incorporates the contract prices of 86% of works tendered throughout 2022, costs related to soil remediation and an increased allowance for contingency and escalation for untendered works. As noted in the report, market conditions have impacted original cost estimates substantially in a number of trades.

BACKGROUND

The HJCRC/SH project is the most extensive capital revitalization program ever undertaken by the City of North Vancouver. After many years of planning, consultation, engagement, design and refinement, construction is now underway on what will become a vibrant, inclusive community amenity precinct that supports the physical and mental well-being of our community. See Attachment 1 for the details of the new HJCRC/SH complex.

DISCUSSION

Schedule Update

Approval to initiate construction of the new HJCRC/SH was provided by Council on March 7, 2022. With a financial strategy of phased construction and awarding tenders as financial support is in place, the project has completed a number of activities:

- Advanced Underground Utility Upgrades – East 23rd Street (replacement of the water main, sanitary and storm sewers)
- Centennial Theatre Temporary Power & Electrical Improvements
- Site Preparation and Bulk Excavation (Enabling Works)
- Contaminated Soil Remediation
- Oversized (greater than 1m³) Boulder removal

Overall, the project is on track with bulk excavation completed and 86% of sub trade contracts executed. Below is the high level schedule for 2023-2025, with project completion anticipated in late 2025:

- 2023 Foundation Concrete to Grade
- 2024 Major Building Structure and Envelope Works
- 2025 Interiors, Commissioning and Landscaping
- Late 2025 Project Completion

Budget Update

Since approval of the HJCRC/SH program in 2021, the project has advanced from design to construction; through each phase of the work, cost estimates were conducted based on market conditions and comparative projects at the time.

Class B budget at 50% Construction Documents – Sept '21	\$205.1M
Class A estimate at 90% Construction Documents – Feb '22	\$210.8M
Revised budget – Feb '23	\$230.0M

Now that the project has achieved the significant milestone of 86% tender completion, the project moves from the estimate phase of budgeting to firm or known pricing. This provides greater certainty to the City on final project cost. Like all major construction projects, HJCRC construction is in the midst of the most dynamic marketplace in decades, where commodity and service costs have been quite volatile. Costs have increased over previous estimates due to rate of inflation, rising interest rates, supply chain issues, trucking costs, labour costs and general price increases in the construction marketplace. In addition to \$4M in unexpected soil remediation, many of the major sub-trades tenders were significantly over budget estimates (such as excavation, envelope, drywall and steel studs, and glazing).

Significant efforts to reduce costs on works was undertaken through 2022. Each tender was closely analyzed for best value to the City. Some tenders were identified for future issuance, to enable the project team to monitor the market. Contracts that were required for more immediate construction timing underwent a value engineering process that involved the project team focusing on more cost effective materials and methods that do not sacrifice functionality or the overall goals of the project. Value engineering took

place from June to November 2022. In total 127 items analyzed with a lens of not impacting user experience, programming, overall building quality and aesthetics. Examples of value engineering on this project included:

- Alternate specifications in finishes and materials
- Alternative lighting fixture types
- Alternative mechanical equipment
- Reduction in amount of glazing
- Replacement of composite laminated timber (CLT) with steel deck

A significant cost that was not included in previous estimates is contaminated soil remediation. At the outset of the excavation, chloride (road salt) and naturally occurring trace amounts of arsenic were found at the site. This contamination was an unforeseen condition. A Phase 1 Environmental Site Assessment was conducted during the planning phase of the project and potential soil contamination was not identified at that time.

As a result of these contaminants, remediation efforts were launched that included daily testing and monitoring of trucks for removal. The City was required to cover the premium to dispose of contaminated soil versus disposal of clean fill. At the end of bulk excavation, soil remediation costs totalled just under \$4M. As this is a significant project cost, the City conducted an independent external party to review the remediation process for due diligence. This extensive review confirmed the process that was undertaken to address the contaminated soil was sound and had achieved best value for the City.

Project Costs

As noted above, 86% of project costs are now under contract. In order to complete all works, an increase to overall project budget is requested in the 2023-2032 Project Plan.

Project Category	Value (M)	Status
Advanced Utility Works – East 23 rd Street	\$1.18	Completed
Site Preparation & Excavation	\$9.84	Completed
SBW – CCDC2 - Fixed Price Contract (General Conditions, Structure, Mechanical & Electrical, Building Envelope)	\$140.98	Under Construction
Masonry, Drywall and Steel Stud	\$16.13	Award in Process
Soft Costs, DCC, Permit & Insurance costs	\$19.20	Committed
Misc. small trade packages	\$14.71	Tender in 2023
Public Art	\$0.50	Partially Awarded
Offsite Works	\$4.20	Tender in 2023/24
Furniture Fixtures and Equipment (FF&E)	\$2.92	Tender in 2025
Landscape Works	\$8.40	Tender in 2024
Contingencies	\$11.94	
Projected Cost	\$230.00	

Financial Strategy

The financial strategy for HJCRC/SH utilizes a variety of funding sources and processes:

- Utilization of City reserves and Municipal Finance Authority (MFA) loan
- Future disposition of Harry Jerome Neighbourhood Lands (HJNL)
- Phased procurement to mitigate market escalation
- Modified project delivery to phase works within financial capacity
- Contracts awarded once funding in place
- Value engineering to mitigate tender pricing

Project Management

In order to ensure the project has the flexibility to meet challenges and to address unknown costs, contingencies are included in the project budget. The contingencies for this project were established using industry best practices for comparable projects. The total contingency for this project is \$11.94M. To date \$0.86M of the construction contingency has been expended.

Risk Management

A project specific risk register has been developed and is monitored throughout the project. The risk register covers schedule, quality, and scope change risks. Typical project risks can be described as follows:

- Geotechnical risk – closed
- Contaminated soil remediation – completed at cost of \$4M
- Oversized boulder removal – completed at cost of \$100K
- Schedule delays due to bad weather – Project schedule has some allowance for this type of risk
- Changes required through permit process – risk decreases as BP nearing issuance
- Market escalation –\$26M scope to be tendered at later date
- Supply chain – procurement and supply of long lead time items

Communications

In collaboration with the project team, the City's communication department has prepared a comprehensive communications strategy to ensure information is delivered in a timely, efficient, and digestible manner to key stakeholders. The communication strategy presents a multi-phased and multi-channel approach to providing updates on the project with materials to include direct mail-outs, print materials, newspaper advertising and earned media coverage, social media and online outreach, e-newsletters, on-site signage, transit shelter ads, video updates, staff outreach and facility advertising. Key messages in the immediate future include:

- Updates concerning construction impacts
- The existing HJCRC and Centennial Theatre remain open and operational during construction
- Informing and generating excitement concerning social, cultural, and physical programs that will be a part of the new facility in 2025

In addition to the above, Council is provided with regular updates through the construction phase in order to stay informed of progress and next steps on site. To ensure transparency, these updates are also posted to the HJCRC project website. The HJCRC Project Update for January 2023 has been included as Attachment 2.

NVRC Operations and Interim Parking

The existing HJCRC – including Memorial Gym and Mickey McDougall facilities – are planned to remain open during the construction period. Although two of the three buildings are slated for demolition, NVRC staff will proactively address maintenance concerns and practice appropriate asset management.

Parking has been identified as a priority for smooth operations of the existing HJCRC and Centennial Theatre. The City has secured the use of 40 parking spaces at North Shore Alliance Church. NVRC staff limit the simultaneous scheduling of high participation events at their facilities to minimize congestion and demand on parking. NVRC provides event organizers parking information to pass onto attendees.

Flicka Gymnastics Club

With the continued operations of the existing HJCRC, Flicka Gymnastics Club will continue operating in their leased space within the existing HJCRC until the closure of the facility. This provides time for Flicka to prepare its transition plan, plan their tenant improvements and allows NVRC to continue providing programs out of the Mickey McDougall facility. Although some small improvements have already been completed, the majority of construction work to accommodate Flicka at Mickey McDougall is planned to take place in 2025.

Next Steps

2023 represents a pivotal year for the HJCRC/SH project as major foundation work will commence and be completed. The project's immediate next steps include:

- Consideration of project budget of \$230M in 2023 Capital Plan
- Detailed excavation work
- Concrete foundation works
- Aquatics plumbing and electrical works

FINANCIAL IMPLICATIONS

The information in this report provides background to support the 2023-2032 Capital Plan, which includes a request to increase the HJCRC/SH project budget to \$230M.

INTER-DEPARTMENTAL IMPLICATIONS

Project coordination and input has been undertaken with every City department, Lonsdale Energy Corporation, and staff from North Vancouver Recreation and Culture.

STRATEGIC PLAN, OFFICIAL COMMUNITY PLAN OR POLICY IMPLICATIONS

After serving the community of North Vancouver since 1966, the Harry Jerome Recreation Centre has reached end of life. The new Harry Jerome Community

Recreation Centre embraces the City's vision of 'A Healthy City for All' by creating a welcoming, vibrant, and social heart of the community. The new Centre has a potential lifespan of more than 60 years allowing future generations of North Shore residents to enjoy the rejuvenation of this important amenity. This state of the art facility will help our citizens maintain or improve health and wellness within our community, and inspire residents to be active and connected throughout their lives.

RESPECTFULLY SUBMITTED:



Robert Skene
Deputy Director, Strategic and Corporate
Services

HARRY JEROME COMMUNITY RECREATION CENTRE AND SILVER HARBOUR SENIORS' ACTIVITY CENTRE PROJECT HIGHLIGHTS - FEBRUARY 3, 2023



An initiative of this size and scope has many components, each aligning with the City's vision of the future and the strategic plan that supports it. The new HJCRC/SH is designed to embrace all people, provide connection for the community, support the City's commitment to being a leader in climate action and help contribute to community prosperity. HJCRC/SH will be a gathering place for generations to come.

HJCRC Components

- Community atrium space
- Aquatic centre - 25m and leisure pools, hot tubs & dry sauna
- Arena with 500 seat seating capacity
- Gymnasium
- Multipurpose spaces for arts /culture
- Preschool and youth space

- Indoor and outdoor fitness and play spaces
- New skate park

Silver Harbour Seniors' Activity Centre Highlights

- Two storey standalone facility on interconnected parkade with HJCRC
- Commercial kitchen and dining area
- Multi-purpose rooms
- Arts & Recreation spaces

HJCRC/SH will be:

- **Sustainable:** The new centre has been designed as a zero carbon building – net zero ready. This new facility will produce 40% less CO2 emissions than the existing HJCRC. The arena will utilize a CO2 ice plant that will be safer to operate, be more efficient and recapture waste heat for use in other parts of the centre.
- **Accessible:** This project has undergone extensive review and consultation with the North Shore Advisory Committee on Disability Issues (ACDI) and is seeking Gold Certification with the Rick Hansen Foundation ensuring that the new centre achieves a high standard of accessibility
- **Equitable and Inclusive:** The entire centre has been designed as a place for all with a series of formal and informal spaces and universal washroom and change room design.

Harry Jerome Community Recreation Centre Project

A VIBRANT SOCIAL HEART OF OUR COMMUNITY

PROJECT UPDATE JANUARY 2023

EXECUTIVE SUMMARY

The New Harry Jerome Community Recreation Centre Project and Silver Harbour Seniors' Activity Centre (HJCRC/SH) continue to be the largest investment in community recreation in the City. When completed, it will provide more than 18,580 sq.m. of state of the art, inclusive and accessible community space to support our community's physical and social well-being. Bulk excavation of the site has been completed, marking a major project milestone. Construction continues and is focused on foundation works, pool plumbing and electrical works. Parking for patrons of the existing Harry Jerome Community Recreation Centre and Centennial Theatre is now available at the North Shore Alliance Church, accessed off 23rd Street east of St. Georges.



Community recreation centre parking available at North Shore Alliance Church

NOVEMBER AND DECEMBER UPDATES

- Bulk excavation completed with 97,600 cubic metres of material removed from the site
- Granular foundation material has been imported to the site
- 4,200 sq.m. of the building's footprint (27%) has been prepared for foundation works
- The east crane has been erected, which now completes service for remainder of the site
- District energy agreements with Lonsdale Energy Corporation have been completed



Foundation works December 2022

Harry Jerome Community Recreation Centre Project

A VIBRANT SOCIAL HEART OF OUR COMMUNITY

PROJECT UPDATE JANUARY 2023

UPCOMING ACTIVITIES FOR JANUARY AND FEBRUARY

- Full Building Permit to be issued
- Temporary power for the east section of the site to be in place
- Continuation of detailed excavation and foundation works
- BC Hydro to be granted permit for installation of permanent underground infrastructure
- Improved signage for interim parking

ACCESSIBLE DESIGN AND RICK HANSON FOUNDATION GOLD CERTIFICATION

Did you know, almost 50% of adults in Canada experience a permanent or temporary physical disability or live with someone who has one? The new HJCRC and Silver Harbour Seniors' Activity Centre's design will ensure a high level of accessibility so every community member benefits. With the support of the City's Advisory Committee on Disability Issues (ACDI) and the partnership of the Rick Hansen Foundation, the HJCRC/SH project will meet the Foundation's Gold Certification Standard. For example, the aquatics area includes ramps into the lap and leisure pools and transfer ledges for the hot pools. In addition to addressing physical accessibility, the facilities will also feature audio and visual enhancements for people that require them.



HJCRC Fully Accessible Aquatics Area



INFO + UPDATES [CNV.ORG/HJCRC](https://cnv.org/hjcrc)