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

REPORT

To: Mayor Linda Buchanan and Members of Council

From: Heather Reinhold, Deputy Director, Strategic & Corporate Services

Subject: HARRY JEROME COMMUNITY RECREATION CENTRE – PROJECT APPROVAL

Date: March 31, 2021 File No: 02-0800-30-0028/1

The following is a suggested recommendation only. Refer to Council Minutes for adopted resolution.

RECOMMENDATION

PURSUANT to the report of the Deputy Director, dated March 31, 2021, entitled “Harry Jerome Community Recreation Centre – Project Approval”:

THAT staff be directed to proceed to the pre-construction phase of the Harry Jerome Community Recreation Centre (HJCRC) project including completion of the following:

- Construction documents
- Class A estimate
- Site servicing plan
- Construction sequencing plan;

THAT staff report back with a Class A estimate and seek approval to proceed with tendering of the Harry Jerome Community Recreation Centre construction contract;

AND THAT staff be authorized to consolidate the two land parcels that make up the Harry Jerome Community Recreation Centre lands (Parcel ID Numbers 009-034-811 and 009-034-862).

ATTACHMENTS

1. HJCRC Design Report ([Citydocs 2036460](#))

2. Excerpt from March 2, 2020 Council Report entitled “Prioritization of Harry Jerome Community Recreation Centre Components and Associated Projects” ([Citydocs 2036214](#))
3. Summary of Advisory Body Resolutions ([Citydocs 2036301](#))

SUMMARY

The redesign phase for the Harry Jerome Community Recreation Centre (HJCRC) project is now complete (see Attachment #1). The new HJCRC will be designed to the highest accessibility standards and will be a people-oriented community gathering place. HJCRC will be integral to providing opportunities for residents of all ages, ethnicities, abilities and interests to live healthy, active and connected lives.

The new HJCRC will include a diverse indoor and outdoor program including:

- Gymnasium
- Fitness Centre and Outdoor Fitness Space
- Multi-Purpose Rooms
- Art Space
- Youth Area
- Preschool and Early Years Space
- Community Kitchen
- Main Atrium & Inner Courtyard
- Small and Large-scale Indoor Social Spaces
- Food and Beverage Service (shell space)
- Aquatic Program
 - Leisure Pool
 - 25m 10-lane Pool with springboards (ability to install a future 5m platform)
 - Hot Pools
 - Sauna and Steam Rooms
- Arena Program
 - NHL sized Ice Rink
 - 500 Spectator Seats (~300 fixed / 200 flexible)
- Outdoor Program
 - Central Plaza & Green Space
 - Skatepark
 - Multi-Activity Court
 - Nature Play Area
 - Green Necklace (multi-use trail connection)
- Public Art
- Parking
 - 270 underground parking stalls (includes 18 dedicated Silver Harbour stalls)

The project is on track with construction to commence in June 2022 and with project completion in 2025. The cost of HJCRC is estimated at \$181.7M (+/-15%) that includes a \$28.7M contingency and allowances for offsite city and utility works. Staff are seeking approval to proceed with the pre-construction phase. Staff will report back to Council with a Class A estimate and to seek approval prior to the tendering of construction works.

BACKGROUND

The existing HJCRC has served the community well since 1966. The existing facilities are now at the end of their functional life. The replacement of the existing community recreation centre is a stated priority of City Council and much work has been completed.

In 2017/2018, based on Council direction and public / stakeholder input, a schematic design was completed. In 2019/2020, risk mitigation and project refinement were explored. The City's Community Recreation Strategy "A Healthy City for All – The Role of Community Recreation" was endorsed. This strategy confirmed the City's vision to create a healthy city for all, established goals for community recreation and included a decision-making framework for significant community recreation projects.

In March 2020, Council directed staff to undertake a redesign effort based on the endorsed program informed by the Community Recreation Strategy prioritization framework (summarized in Attachment #2). The redesign effort was to include a review of all program component sizes, building form and materiality to ensure the overall cost effectiveness of the project. The redesign effort is now complete.

DISCUSSION

The HJCRC project embodies the City's vision to create a healthy city for all. The Centre is intended to serve all residents through a variety of services, to connect people and to improve the health and wellness of individuals and families. The Centre will draw residents of all ages and abilities to explore, create, play, exercise, train, learn, relax, rehabilitate and connect.

The vision for a new HJCRC, which has been developed and refined based on feedback from the public and Council is:

"The Harry Jerome Community Recreation Centre will be a welcoming, vibrant social heart of the community.

It will foster individual and collective wellness by providing opportunities to participate in a variety of organized and casual activities. The centre will empower community members to enjoy healthy, active and connected lives.

HJCRC Design Principles:

The HJCRC design embodies the principles of equity, social inclusion, wellness, security, adaptability, environmental responsibility and fiscal responsibility. These principles are woven throughout the building design, surrounding landscape and planned operation and service provision.

The premise for the design is to provide for an inclusive experience throughout the facility – both indoors and outdoors – where one can both experience and view a range of activities and opportunities. The building and landscape provide energetic and contemplative spaces, where individual and collective experiences can occur. Spaces are

flexible, allowing for adaptation to changing needs. Fundamental to the overall design is the concept of universal accessibility and inclusion; the HJCRC will achieve Gold certification through the Rick Hansen Foundation Accessibility Certification (RHFAC) program.

Embedded throughout the design is a focused approach on climate responsive sustainable design. The HJCRC has a highly complex building program, with a mixture of energy intensive uses such as pools and an ice rink. By employing leading edge energy conservation strategies as well as extensive heat recovery for re-use within the facility (see below), the carbon intensity of the new HJCRC has been reduced by ~81% compared to the existing facility.

Additionally, as HJCRC represents a significant investment in community recreation, every component of the design has been approached with measured consideration to maximize community outcomes while minimizing financial risk.

HJCRC Project Component Description:

The HJCRC project will deliver a broad and varied program. The redesign phase reflects the March 2020 Council endorsed program as well as the 2018 Functional Program, with refinements made for operational considerations and cost effectiveness as outlined below.

Atrium, Interior Courtyard and Plaza

The atrium and interior courtyard represent the organizing structure for the building and sets out an intuitive wayfinding and orientation experience for HJCRC. The atrium provides a welcoming reception and social area along with opportunities for spontaneous and programmed activities and celebrations both indoor and outdoor. Whether visitors arrive by car, transit, bike or foot, they will enter into the main atrium. Included within the atrium is a shell space for a food and beverage service adding to the overall social experience. It is anticipated that during the construction phase, a Request for Proposal process will be undertaken, seeking an operator that aligns with the vision for the Centre. It is expected that the tenant will be responsible for tenant improvements to meet their operational requirements.

The interior courtyard, connected to the main atrium, provides a visual connection to many activities and creates a green heart that the building is organized around. The interior courtyard allows for views throughout the centre, allows for fresh air and encourages spontaneous informal activities.

The plaza will serve a number of purposes; main entry, outdoor gathering area, event venue, program area and allows for active and passive play.

Multi-Purpose, Community Kitchen and Arts

The multi-purpose rooms accommodate activities such as social gatherings, programs, events, meetings and presentations. These adaptable spaces of different sizes are located throughout the facility and at key locations adjacent to the main atrium. The community kitchen will support healthy living programs and opportunities for cross-cultural experiences using food as a medium. The arts component, with appropriate materials, spaces, tools and equipment, provides for a variety of arts programs and services.

Aquatics

The aquatic component will accommodate a broad range of aquatic activities through provision of:

- Large leisure pool with beach entry, tot's area, lazy river and a variety of active water features
- 25m 10 lane tank with diving springboards and the ability to add a future 5M platform
- Two hot pools – a larger one supporting families & therapy activities and a smaller one for adults
- Sauna and steam rooms
- Change facilities supporting both universal and gendered spaces
- Space both on and off-deck for viewing

As part of the redesign phase, with further review of the operational and safety requirements, the previously contemplated movable bulkhead in the 25m pool tank has been removed. This changes the pool size requirement from 26.5m to 25m.

In recent conversations with aquatic stakeholders, the request for inclusion of a 5 metre diving platform was restated, along with an offer to pay part or all of the cost. As this request does not fundamentally alter the design of the aquatic component, an allocation for future provision has been integrated.

Arena

The arena will accommodate activities such as public skate, lessons, hockey, sledge hockey, figure skating and ringette. Non-ice season (dryland) activities, including community events, summer camps, lacrosse, in-line skating and ball hockey can also be accommodated. Features of the arena space include:

- NHL size ice rink
- Five change rooms
- Skate rental shop
- Officials Room
- Spectator seating for 500 (~300 fixed / 200 flexible)
- Ice re-surfacer / mechanical support

In recent conversations with arena stakeholder groups, it was confirmed that the provision of 500 spectator seats would be provided through a combination of fixed and flexible seating. This seating arrangement allows for flexibility and for the space to adapt to a variety of uses. Significant effort has been undertaken to ensure all spaces are designed for maximum use throughout the facility. In keeping with this approach, a separate lockable storage area has been provided adjacent to one change room for arena stakeholder use. This will ensure that the adjacent change room is usable to both arena stakeholders as well as the public.

Gymnasium

This component will provide a full sized gymnasium with storage to support many activities such as volleyball, badminton, indoor soccer, basketball, pickleball, fitness classes, community gatherings, events and rentals.

The previously endorsed program contemplated two gymnasiums, however, in consideration of alternative gym space available in schools and other recreation centres, and in order to reduce the size and cost of the centre, one gymnasium was eliminated.

Fitness Area

The fitness component is located on the second level and will include strength, conditioning, stretching and rehabilitation equipment and space. There will also be an adjacent outdoor area that can be used by fitness centre users and for programs.

Preschool and Early Years Spaces

This component is located on the second level, with at-grade access to an outdoor natural play area and accommodates a licensed part-time preschool and the Early Years program space. The secure separate exterior play area will be shared between both programs and will be open to the public after-hours.

Youth Area

This component is located on the second floor, with at-grade access to the outdoor active recreation zone with the multi-activities court and the skatepark. This spatial relationship creates a new indoor/outdoor youth zone, providing for a wide variety of activities and services of interest to youth.

Informal Gathering & Recreation

Community recreation centres play an important role as social and connection hubs, as well as providing for non-programmed recreation. Careful attention has been given to this role for HJCRC. There are a variety of spaces that will foster socializing, relaxation, spectating, play and creativity without having to register for a program or a specific activity. These spaces are integrated throughout the facility at different scales.

Skatepark & Active Zone

A new skatepark will occupy the north-east corner of the site, framing the outdoor active zone. The design of the skatepark was informed by the 2018 user input process. The design includes a raised viewing / hangout area which cascades down into a central area populated with features including rails, ledges, ramps, banks and flatbars. A variety of heights and levels of difficulty are included. The skatepark will be similar in size to the existing skatepark.

Parking

The new design for HJCRC provides 270 parking stalls within a single level parkade (and includes an allocation of 18 stalls dedicated for Silver Harbour). The 270 parking stall provision exceeds bylaw requirements and is reflective of the anticipated HJCRC and Centennial Theatre parking demand estimated in the project's updated Transportation Study. In an effort to reduce overall GHG emissions, the facility will incorporate 8 electric vehicle charging stations with the infrastructure to allow more in the future if warranted.

The following transportation demand management measures will be considered to reduce parking demand at the facility and any potential spillover parking impacts onto neighbourhood streets:

- Development of an overflow parking plan for special events that will explore use of off-street parking in the surrounding area

- Introduction of on-site pay parking within the HJCRC parkade
- Adjusting on-street parking regulations in the broader neighbourhood to ensure sufficient parking is available for residents and visitors

The consideration for pay parking and adjustment of on-street parking regulations will be reviewed through an area wide parking plan that is anticipated to be undertaken closer to the opening date. An update will be provided to Council.

East 23rd Street & Green Necklace:

The design of East 23rd Street, between Lonsdale and St. George's, has been updated to enhance the pedestrian scale of the streetscape, better integrate the Green Necklace and to facilitate the single entrance to the HJCRC parkade and the shared loading area with Centennial Theatre.

The Green Necklace has been designed with separated pedestrian and cycling paths, integrated with the signalized mid-block crossing. The mid-block crossing has been designed with consideration of pedestrian safety, vehicular queuing, intersection functionality as well as creating a clear and legible connection between the park to the south of 23rd Street and the front entrance to the new HJCRC.

The changes to the East 23rd Street design, parkade access and parking provision were reviewed in context of the updated Transportation Study. It was confirmed that these changes will result in acceptable urban traffic operations along Lonsdale Avenue, East 23rd Street, St. George's Avenue and other streets in the vicinity of the facility during peak hours on opening day and out to 2030. The study update has identified, however, that future accommodation of transit priority measures along Lonsdale Avenue in this area (e.g., a northbound bus-only lane or queue jump lane) may reduce the functionality of the Lonsdale Avenue and 23rd Street intersection. When transit priority interventions are implemented in this area, the City may need to explore strategies to maximize the functionality and level of service of the intersection for all users.

Public Art:

A public art plan based on the redesign is under development. The regular process for public art will be followed, with advancement as soon as possible to ensure incorporation of public art into the overall site and facility design. Funding for public art, in the amount of \$500,000, is included within the project budget.

Climate Responsive Sustainable Design:

The design of HJCRC embeds energy conservation strategies as well as extensive heat recovery for re-use within the facility to reduce carbon intensity. A summary of design strategies and energy conservation measures are outlined below. The HJCRC meets the BC Energy Step Code and exceeds the NECB (National Energy Code for Buildings) 2015 Total Energy Use Intensity baseline by 49.5%.

Design Strategies & Energy Conservation Measures:

Envelope	Highly insulated walls, roofs & floors
	Double glazed windows, argon filled, low e-coating/reflectivity coating
	Airtightness targets as per Energy step code

Mechanical Systems	Heat recovery from wastewater, general process heat, refrigeration systems and ventilation exhaust
	Enhanced humidity measurement and control to reduce energy requirements
	Inblue filtration system for aquatic component to reduce energy requirements and increase water quality
	Variable speed pumps for all mechanical pumps to reduce energy demand
	Connected to LEC and will benefit from future potential diversification of LEC system
	Water conserving plumbing fixtures
Refrigerants	CO2 refrigeration for arena allowing for a high level of heat recovery
Electrical Systems	Daylighting through architectural form to reduce lighting loads
	Efficient lighting fixtures (LED) with automated controls

Throughout the pre-construction phase, continued focus on the following sustainable design features will be undertaken:

- Further refine envelope efficiencies including window-to-wall ratio (currently at 41%)
- Integrate exterior shading to control interior heat gain
- Further refine air tightness target

HJCRC Site & Zoning Considerations:

At the site planning level, the HJCRC design uses the site and surrounding land use to maximize integration with the neighbourhood and to maximize cost effectiveness. The facility has been designed as a two story facility, with one full level of underground parking. The large-scale program elements are located along the northern boundary, where they are partly absorbed into the steeply sloping site, and the more active, finer grained elements front East 23rd Street.

Lot Coverage & Setbacks:

To facilitate efficient and cost effective layout for HJCRC, an increase to the allowable site coverage as well as a reduction to the lot setbacks is required. The site coverage as contemplated in the design will result in 55% lot coverage (40% currently permitted) which still allows for a public plaza, multisport court, play area, skatepark and landscape areas fronting all four property boundaries as well as meeting the City's stormwater management requirements. The reduced lot setbacks (5.6m to the west and 1m to the north instead of the existing 7.62m required setback) allow for the most efficient building layout and responds to the surrounding urban context with tighter setbacks contemplated along the Trans-Canada highway frontage as well as Lonsdale Avenue.

A companion report is being brought forward with respect to the Zoning Bylaw Amendments to allow for variances to lot coverage and lot setbacks.

Bike Parking & Facilities:

The provision of bike facilities to support and promote cycling by the public and staff are integral to the facility design, with public bike facilities located at the main entrance and throughout the site, as well as alternate access into the parkade for weather protected bike parking adjacent to the elevators and main stairs. The zoning bylaw requires that all public

bicycle parking is located within 15m of the main entrance to the principle building; a variance is requested to ensure that outdoor programming – such as the skatepark and youth zone – located farther than 15m from the entrance have adequate bike parking.

Secure bike parking for staff is being provided at a level of 1:1 for the anticipated staffing levels. This will result in 45 secure bike parking spaces. This is less than required by the zoning bylaw (60 spaces). In addition, all secured bike parking will be provided in one room, which exceeds the bylaw limit by 5 spaces. Accommodating an additional 5 bikes in the secure room will permit the most efficient and legible layout for secured bicycle parking.

A companion report is being brought forward with respect to the Zoning Bylaw Amendments to allow for a variance to secure (staff) bike parking and end of trip facilities.

Lot Consolidation:

To allow for the HJCRC centre to be built, the two lots that currently make up the HJCRC lands need to be consolidated (see Figure 1 below). The two parcels are both within Comprehensive Development Zone CD-165. The lot comprised of Norseman Field was set aside for park purposes (Bylaw 894) in 1928 and states that the park can be used for “park, recreation and other public purposes”.

With consolidation, the single consolidated lot will have Centennial Theatre, HJCRC and Silver Harbour Seniors’ Activity Centre all located on the same lot. The Silver Harbour facility is anticipated to be structured under a land lease which can occur within the framework of the consolidated lot structure.

Figure 1: Existing HJCRC Parcels



HJCRC Advisory Body Review:

The HJCRC project was brought forward to the following advisory bodies for review and discussion:

- Integrated Transportation Committee (Feb 3 and March 3, 2021)

- Advisory Design Panel (Feb 17 and March 17 2021)
- Advisory Committee on Disability Issues (March 18 2021)

Resolutions of support from ITC and ADP are included in Attachment #3. During the pre-construction phase, ongoing input from a sub-committee of ACDI will be sought on detailed design items pertaining to enhanced accessibility.

Silver Harbour Seniors' Activity Centre:

The Silver Harbour Seniors' Activity Centre is located as a stand-alone building with integrated underground parking located in the prominent south-east corner of the HJCRC site. A stand-alone building provides Silver Harbour with autonomy for operations, while the proximity provides for enhancement of both the Silver Harbour and HJCRC program. The design of the Silver Harbour facility is currently in process in collaboration with Silver Harbour and updates to Council will be provided as this process continues.

FINANCIAL IMPLICATIONS

HJCRC Cost Estimate:

A Class B estimate was prepared by a Professional Quantity Surveyor based on the design as included in Attachment #1. The Class B estimate is based on current day considerations of construction on the North Shore, world market uncertainties and recent escalation rates. The Class B estimate represents project costs +/- 15%. The estimated cost for the new HJCRC is as follows:

HJCRC Building Construction	\$ 114,953,000
Onsite Works	\$ 14,220,500
Offsite Works	\$ 6,331,100
Soft Costs (consultants, CNV staffing, insurance)	\$ 12,447,600
Permits and DCC's	\$ 2,172,200
Furniture, Fixtures and Equipment	\$ 2,881,600
Contingencies & Escalation	
Soft Cost Contingency	\$ 260,000
Design Contingency 5%	\$ 6,958,800
Construction Contingency 5%	\$ 7,069,900
Escalation Contingency 9.7%	\$ 14,401,300
HJCRC TOTAL*	\$ 181,696,000

** Does not include the Silver Harbour Seniors' Activity Centre component which is yet to be confirmed – in progress.*

Class B Costing Assumptions:

Within the HJCRC Class B cost estimate, there are a number of assumptions that have been included that are important to address.

Project Timeline:

Construction is assumed to start in June 2022. Any deviation from this timeline will impact the escalation rate and overall cost estimate. Staff are currently exploring construction sequencing with consideration of potentially advancing site preparation and some site

servicing works to improve the overall project timeline. An update to Council will be provided if advancement of early works can be facilitated. There is funding included within the 2021 capital plan that anticipates this potential. A request for funding appropriation will be sought if construction sequencing proves advantageous.

Market Conditions:

Currently the construction industry has experienced significant cost increases due to COVID-19, changes in production, delivery and material costs, uncertainties around Canada-US trade relations. Despite the impact of COVID-19, there continues to be robust construction activity in the region and a resulting general shortage of skilled labour. As a reflection of current market conditions, this Class B estimate is noted at +/- 15% as opposed to the often used Class B estimate range of +/- 10%.

Project Contingencies:

Within the Class B estimate, a contingency strategy is being implemented to address escalation of the market, changes during construction and during design development. The amount of approximately \$28.7M is being held as part of the overall project budget. As part determining the Class B estimate, the Quantity Surveyor reviewed recent market pricing trade by trade to estimate different escalation rates for different trades which created a blended escalation rate.

Site-Servicing & Off-Site Works:

The site servicing and off-site transportation upgrade costs included within the estimate (which total \$4.7M) are provided at a Class D level (+/-20%) based on recent CNV Engineering projects and will be refined in coordination with CNV Engineering and the redevelopment of the Harry Jerome Neighbourhood Lands in the coming months.

In addition, upgrades to BC Hydro service are required for the HJCRC site and area. The Class B estimate accounts for the BC Hydro design fee as well as a placeholder estimate of \$2.1M provided by BC Hydro for the service upgrade. (Note: In previous cost estimates, the cost for the BC Hydro service upgrade was noted as anticipated scope but not included.) Staff will advance the design work in coordination with review of area wide cost sharing. It is anticipated that BC Hydro will complete the design work at the same time as the construction documentation is complete.

Silver Harbour:

It is anticipated that the Silver Harbour component will occur on the same timeline as the HJCRC project. To align construction of the Silver Harbour facility with HJCRC, confirmation of the process with Silver Harbour will need to be confirmed by the end of May 2021 to allow sufficient time to complete the construction documents for tendering this work along with HJCRC.

The Silver Harbour project will have a proportionate allocation of costs for the parking structure, site works and site servicing components of the project. Should the Silver Harbour project not advance on the same timeline, the HJCRC budget will need to be adjusted to account for this shared scope. In addition, the HJCRC mechanical and parkade designs, and associated budgets, would need to be adjusted to account for an alternate approach.

HJCRC Funding Structure & Approach:

A significant project such as HJCRC requires the City to plan strategically. The funding structure for HJCRC will see the project financed primarily through the revenue from leasing and redevelopment of the existing HJCRC lands. The financial structure for this project enables the City to have funding in place during construction and will mitigate much of the financial risk. This funding structure necessitates the closing of the existing HJCRC as of December 31, 2021 (see below).

In addition to revenue from the redevelopment of the existing HJCRC lands (the Harry Jerome Neighbourhood Lands), annual increases to the City's operating budget were implemented in 2013, specifically for the HJCRC project. This allocation is approximately 4% of the City's property tax levy and provides \$2.6M per year on an ongoing basis. This funding allocation will support expenses associated with HJCRC.

The funding for HJCRC redevelopment is included within the 2021-2032 Capital Plan as summarized below. An allocation of \$6.4M is included for 2021. Early works, such as site preparation and potentially some site servicing, may be advanced. An appropriation report will be brought forward for Council approval prior to tendering of any of these early works. The HJCRC construction project will not be tendered until full funding is in place.

Harry Jerome Funding Summary

Cumulative Annual Contributions to Civic Amenity Reserve	\$ 32.4
Contributions - 2 Projects (CAC and Density Sale)	\$ 13.7
Land lease - HJNL Net of Non-Recreational Amenities & Exp	\$ 153.8
Park DCC Reserve	\$ 3.2
Affordable Housing Reserve	\$ 5.8
Total Funding	\$ 208.9
Appropriated To Date	\$ (22.6)
Total 2021-2030 Capital Plan Funding Available	\$ 186.3

2021-2030 Capital Plan Funding Requested

Harry Jerome Community Recreation Centre	\$ 157.4
Silver Harbour Seniors Activity Centre	\$ 13.0
Mickey McDougall - Feasibility Study & Building Upgrades	\$ 1.4
New Community Park - HJNL	\$ 6.5
	\$ 178.3

Funding Excess (Shortfall) 2021-2030 Capital Plan	\$ 8.0
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The Plan assumes funding for HJCRC of \$157.4M beyond amounts already appropriated. As a result of the Class B estimate this need has increased by \$16.3M to \$173.7M reducing the \$8.0M funding excess noted above to an \$8.3M funding shortfall.

Funding Excess (Shortfall) 2021-2030 Capital Plan	\$ 8.0
HJCRC Cost Escalation Required Add'l Funding	\$ 16.3
Revised Funding Excess (Shortfall) 2021-2030 Capital Plan	\$ (8.3)

The funding required for the full project scope will be updated as part of the 2021 revised budget process to reflect the most up to date cost estimate at that time (Fall 2021).

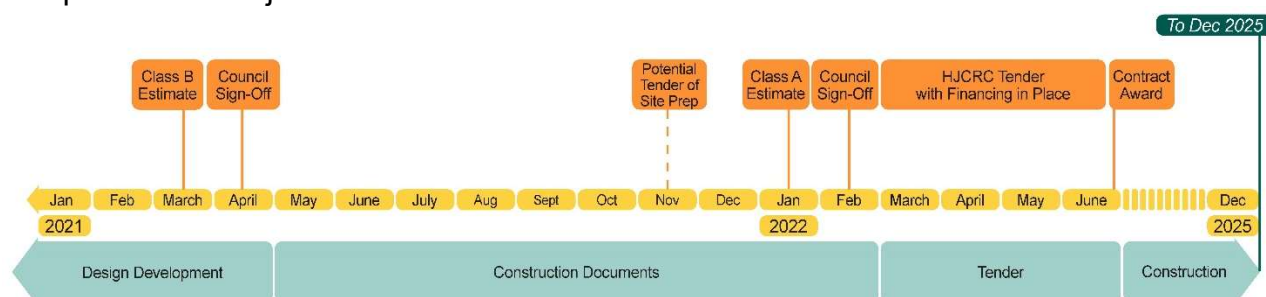
Finance will work with the HJCRC team as the project progresses, and there is greater certainty around various assumptions, to develop funding strategies for the shortfall.

HJCRC Operating Budget:

The operating cost estimate for the new HJCRC has been updated to reflect the current design and functional program and is estimated by NVRC staff to be a net cost of approximately \$1.9 – \$2M per year; an increase of \$500,000 - \$600,000 more than the 2021 operating budget for the Harry Jerome, Memorial and McDougall facilities. The revised estimate considers the operating budget analysis work done previously by a consultant, along with NVRC's experience operating community recreation centres in North Vancouver. While the new facility will be highly efficient, the main cost drivers are due to increased staffing related to the larger facility (for cleaning, set-up, take down, program planning and supervision) as well as increased lifeguarding associated with the larger aquatic component. There is a modest increase in utilities accounted for. Net operating costs are difficult to accurately project because of the variability of revenues which help to offset operating expenses.

NEXT STEPS:

The City is on track with HJCRC construction to begin in mid-2022, and with delivery of the new HJCRC in 2025. In order to meet this timeline, there are still many critical steps to complete. The major milestones are outlined in the timeline below:



Pre-Construction Phase

With Council's approval of this report, pre-construction documents will be prepared, including construction documents, Class A estimate, site servicing plan and construction sequencing plan. It is anticipated that this phase will take approximately 10 months to complete. Once this next phase is underway, it is important to note that any changes to program or design will significantly increase the cost and delay the project timeline. As part of the construction documentation phase, the following key tasks will be completed:

Construction Manager

The City's external project management firm has advised use of the Construction Management at Risk project delivery method. A Construction Manager (CM) is anticipated to be engaged in May 2021 to provide pre-construction services, including independent cost estimating, constructability reviews, transparent tendering administration and construction risk mitigation strategies. After tendering, the CM will provide a proposal for a single fixed cost construction contract that incorporates the supplier and trade contracts that are required for construction. Acceptance of this proposal is at the City's sole

discretion. Should the proposal not be deemed acceptable, the City can proceed independently with a contract of the City's choosing.

The benefits of involving a CM during the design phase are numerous, including:

- Increased cost estimating accuracy for the project
- Reduced change orders during construction
- Reduced tendering risk
- Ability to enable early work (e.g. demolition and site preparation)

Construction Sequencing Review:

Concurrent with the HJCRC construction document phase, review of construction sequencing for site preparation and site servicing works will be undertaken. The construction sequencing review will evaluate options for advancing site preparation and / or site servicing works. This work would advanced only with Council approval through funding appropriation from the 2021 Capital Plan.

Cost Review:

A Professional Quantity Surveyor will be engaged to undertake project estimates at two key milestones - mid-point construction document stage (50% design) and towards the end of construction document stage (90% design). This will ensure that as more detail is developed, the scope continues to be aligned within the project budget. Ultimately a Class A estimate (+/-5 to 10%) will be prepared based on completed construction drawings and detailed specifications contained in the tender documents.

Commissioning Agent:

As part of leading edge and sustainable development, a commissioning agent will be engaged to provide professional advice with regards to the operations of the technical systems within this facility.

Once the pre-construction documents and Class A estimate are complete, staff will seek Council endorsement to proceed to the tendering phase with confirmation that all required funding is in place.

HJCRC Project Governance

To date, the City of North Vancouver has been managing the HJCRC project, led by the Strategic & Corporate Services department, with the support of multiple City departments and the North Vancouver Recreation and Culture Commission. As the project moves into pre-construction, the need for greater project oversight has been met with an external professional project management firm retained for duration of project (with a phased award of scope). Over the next few months, an updated project governance structure will be formalized, with an update provided to Council. The governance structure will confirm the framework for administrative review, strategic guidance and Council decisions.

Regular Project Reporting

Regular updates on the HJCRC project will be provided to Council and the public going forward. With commencement of construction, Council will receive regular monthly reports, including progress to date, planned activities, project schedule, budget summary, project risks and a fun facts section. To ensure transparency for the project, monthly reports will also be posted to an updated HJCRC project website for the public.

Existing HJCRC Closure Plan:

The existing HJCRC, Memorial Community Recreation Centre and Mickey McDougall Community Recreation Centre will close at the end of 2021 so that the redevelopment work can begin. This process will be consistent to the process undertaken during the closure and construction of the Delbrook Community Recreation Centre.

North Vancouver Recreation and Culture Commission staff are currently working on the closure plan, recognizing need to manage with reduced amenities until 2025. The closure plan includes the following scope of work:

- Closure notice to organizations with space use agreements in the existing facilities. (Completed)
- Review of how regular rental groups (sport organizations/community groups) may be accommodated in other community recreation facilities.
- Review of NVRC program participation numbers and determination of priority programming.
- For priority programming, review whether alternate programming options exist and/or potential to accommodate in alternate locations.
- Review staff impact. Examine opportunities for reassignment or relocation.
- Inventory all furniture, equipment and supplies. Determine what can and should be stored. Arrange for moving and storage. Consider what equipment will be unusable if stored for four years and determine appropriate action.

An update to Council will be provided by NVRC on the progress of the closure planning in the coming months.

INTER-DEPARTMENTAL IMPLICATIONS

Project coordination and input has been undertaken with every City department, LEC and staff from the North Vancouver Recreation and Culture Commission. This report has been developed in consultation with Finance, Planning & Development and NVRC.

STRATEGIC PLAN, OCP OR POLICY IMPLICATIONS

The replacement of HJCRC will contribute to health and wellness opportunities within our community, inspiring residents to be active and connected to their community throughout their life.

RESPECTFULLY SUBMITTED:

Heather Reinhold
Deputy Director, Strategic & Corporate Services