



THE CORPORATION OF THE CITY OF NORTH VANCOUVER
Regular Council Meeting – March 4, 2019

REPORT

9. Harry Jerome Community Recreation Centre Update: Potential Cost Reductions and Enhanced Project Management Measures – File: 02-0800-30-0002/1

Report: Deputy Director, Strategic Initiatives and Services, February 25, 2019

RECOMMENDATION:

PURSUANT to the report of the Deputy Director, Strategic Initiatives and Services, dated February 25, 2019, entitled “Harry Jerome Community Recreation Centre Update: Potential Cost Reductions and Enhanced Project Management Measures”:

THAT to reduce the capital and long-term operating costs of the Harry Jerome Community Recreation Centre (HJCRC), staff be directed to reduce the HJCRC project scope by:

- reducing the aquatic component from a 53 M 8-lane pool to a 26.5 M 10-lane pool;
- removing the curling component and reallocating a portion of underground parking to surface parking;
- removing rooftop uses;
- reducing the south building from a 4-storey to 3-storey configuration;
- reducing the windows throughout;

THAT enhanced project management measures be integrated into the project;

THAT a reduced budget request, based on a reduced project scope and including external project management, be referred to the fall revised 2019-2028 Project Plan for consideration;

AND THAT staff be directed to proceed with the construction documentation phase and report back prior to issuing tenders for construction.



 Department Manager	 Director	 CAO
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The Corporation of **THE CITY OF NORTH VANCOUVER**
STRATEGIC INITIATIVES & SERVICES DEPARTMENT

REPORT

To: Mayor Linda Buchanan and Members of Council

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

SUBJECT: HARRY JEROME COMMUNITY RECREATION CENTRE UPDATE:
POTENTIAL COST REDUCTIONS AND ENHANCED PROJECT
MANAGEMENT MEASURES

Date: February 25, 2019 File No: 02-0800-30-0002/1

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

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THAT enhanced project management measures be integrated into the project;

THAT a reduced budget request, based on a reduced project scope and including external project management, be referred to the fall revised 2019-2028 Project Plan for consideration;

AND THAT staff be directed to proceed with the construction documentation phase and report back prior to issuing tenders for construction.

ATTACHMENTS:

1. Minutes excerpt Council November 26, 2018
2. HJCRC Site Plan Comparison – July 2018 / February 2019
3. Director of Finance report, July 18, 2018 “Harry Jerome Financing Structure and Risk”

PURPOSE:

On November 26, 2018, Council directed staff to review a variety of cost containing and risk mitigation strategies for the HJCRC project (see Attachment #1). In response, options are outlined below for Council’s consideration regarding project scope reduction and risk mitigation through enhanced project management.

DISCUSSION:

Since Council’s July 2018 resolution directing staff to proceed with the HJCRC project, the HJCRC project team have been working through the design development phase with the previously approved program scope. In November 2018, Council modified the direction, requesting staff to explore options for cost reduction and risk mitigation. At this point in the project, changes to design and scope will result in cost and schedule impacts (detailed below); however, while still in the design development phase and with completion of the most recent project cost estimate, it is most practical to adjust project scope now and prior to proceeding to the next phase. Once the design development phase is complete (anticipated for early March without project changes) the project will transition into the contract document phase. In this subsequent phase, construction details and specifications are produced to a high level of detail. There would be increasingly larger cost and schedule impacts to facilitate program changes. Staff will not proceed with the contract document phase until the program is fully confirmed by Council. In either scenario, the project will seek a comprehensive green building strategy including aggressive reductions in carbon intensity (more than 50% over building code requirements) as well as the highest accessibility standards (Rick Hansen Foundation Accessibility Certification “Gold”).

Potential Project Scope Reductions

Based on Council’s direction in November 2018, and as part of the design development phase, the HJCRC project team have explored strategies for Council’s consideration to mitigate the capital cost of the HJCRC project, as well as reducing the long-term operating costs.

Five potential program reductions have been identified and are all recommended.

1. Reduction of Aquatics Component from a 53 M 8-lane Pool to a 26.5 M 10-lane Pool:

There has been significant discussion and input over the years on inclusion of a 50 M pool. Staff, North Vancouver Recreation Commission (NVRC) and the PERC (Professional Environmental Recreation Consultants) report (2015) have previously recommended a 25 M 10-lane pool. From an environmental sustainability perspective, a 50 M pool is an expanded component that is energy intensive and has cost implications for long-term operations. (Note that a 50 M pool includes two bulkheads which extends the actual size to 53 M. A 25 M pool has one bulkhead, adding 1.5 M to the total length.)

Capital Cost: Reduction of pool size would result in a capital cost reduction of \$4,626,700 (inclusive of soft costs / contingencies).

Operating Cost: Reduction of pool size would result in a reduction in operating costs. Pools are the most expensive component to operate by a significant margin. Energy use is also higher than any other component. Net operating costs are challenging to calculate with a high specificity due to the wide range of variables which include revenue prediction, programming variations, long-term user rates, guarding variations and age of facility. Based on a consultant and NVRC review, as well as a comparison of other aquatic facilities within BC, the reduction in net operating costs could range from \$200,000 up to \$1.0 million annually. As noted above, comparison to other facilities is challenging as each facility has varying types of amenities which will impact the ability to specify the aquatics portion of utilities, staffing and maintenance costs.

2. Removal of Curling Arena and Reallocation of Parking:

The inclusion of curling in HJCRC was not contemplated in the PERC studies. Curling was discontinued at HJCRC in 1999 and provided instead through a service contract with the North Shore Winter Club. The contract with the North Shore Winter Club has since ended (1999-2014). Currently, curlers travel off the North Shore to neighbouring municipalities, such as New Westminister, Vancouver and Richmond.

With removal of the curling component, there would also be an opportunity to reallocate a portion of underground parking to surface parking (estimated at 71 stalls).

Capital Cost: Removal of curling would result in a capital cost reduction of \$12,760,700 (inclusive of soft costs / contingencies).

Reallocation of underground parking to surface parking would result in an additional capital cost reduction of \$5,001,400 (based solely on a per stall cost estimate).

Operating Cost: Removal of curling would result in a corresponding reduction in the estimated operating cost. Based on a comparison of net operating

costs for other curling facilities within the Lower Mainland, it is reasonable to assume the reduction in net operating costs could range from \$150,000 – \$250,000 annually.

3. Removal of Rooftop Uses (Sports Court / Walking Track):

The current plan includes sport courts and a walking track on the rooftop of the arena component. To accommodate this activity on the roof, enhanced structural capacity, elevator access and building area for a user washroom are all required. In addition, to fit within the structural framework of the arena area, the size of the sports courts do not meet recreational standards or the expressed stakeholder needs. With a focus on reducing costs and delivering high quality public facilities, it is recommended that the sports courts and walking track be deleted from the HJCRC scope.

It is recommended that the delivery of sports courts be accommodated through a future project at an alternate location within the City where they can be built at-grade (no structural premium).

Walking opportunities are integrated into the project with the construction of the Green Necklace and both an internal HJCRC walking loop (150m) and external ravine loop (with stairs) (328m).

Capital Cost: Removal of the rooftop uses (sports court / walking track) would result in a capital cost reduction of \$3,093,100 (inclusive of soft costs / contingencies).

Operating Cost: There would be operational costs for the rooftop space including staff time required for remote and periodic supervision, oversight and customer service, as well as janitorial and maintenance requirements. This has not been quantified in operating estimates.

4. Reduction of South Building Form (Four floors to Three floors)

The building massing of the south building can be simplified by removing the uppermost floor (4th floor). The program components located on the 4th floor (children's program and preschool component) can be relocated to an expanded 3rd floor. Through co-locating program components onto the 3rd floor, efficiencies in programming can be gained and the overall total area of the building reduced. The refinement to the design would provide cost savings through elimination of one elevator, reduced structural costs and elimination of costs associated with roof-top access for the south building.

Trade-offs associated with expanding the 3rd floor area include increased shading and reduced landscaping between the south and north buildings; however, an adjustment can be made to the design to allow for increased hardscape in this area which would complement the adjacent building program.

Capital Cost: A reduction of the south building form would result in a capital cost reduction of \$2,086,500 (inclusive of soft costs / contingencies).

Operating Cost: The removal of an elevator and a reduction in building area will reduce the maintenance and janitorial costs. This has not been quantified in operating estimates.

5. Reduction of Building Windows

Through the design development phase, a review and analysis of all exterior windows (glazing) was undertaken. The vast majority of the windows are included at the main entry, main corridor and the south building; there are minimal windows on the remainder of the facility. Without compromising the usability of interior spaces, windows could be reduced by 6% across the building form.

In addition, a detailed review and daylight modeling study was undertaken for the windows adjacent to the arena area. Within the current design, windows are included in two locations adjacent to the arena: between the arena and the internal building corridor, and between the internal building corridor and the exterior ravine space. The windows between the arena and the internal building corridor provide views into and out of the arena, enhance the interaction between ice and non-ice users, encourage involvement into ice activities and promote an overall sense of connection and wayfinding within the building. Internal visual connections between program elements is a common design strategy in community recreation centres and was also a desire expressed by the public during the engagement phase. It is recommended that these interior windows be retained and the windows reduced by at least 50% along the adjacent interior corridor to the exterior to ensure that direct sunlight does not impact the ice quality or the player experience. This will be further refined through the contract document phase.

Capital Cost: A reduction in building / arena windows will result in a capital cost reduction of \$204,600 (inclusive of soft costs / contingencies).

Operating Cost: A reduction in building / arena windows will require less energy use (heating / cooling) and will require less maintenance. This has not been quantified in operating estimates.

Redesign Implications of Potential Project Scope Reductions:

To integrate these revisions into the design development phase, it is anticipated to take approximately 6 weeks of additional work at a cost of ~\$358,000.

For a high-level comparison of the building footprints between the July 2018 schematic design and the proposed February 2019 reduced project scope, please see Attachment #2.

For clarity, the combined capital reduction of the recommended potential project scope reductions is summarized below:

Potential Project Scope Reductions (inclusive of soft costs & contingencies)	
(1) Reduction of 53 M 8-lane Pool to a 26.5 M 10-lane Pool	(\$ 4,626,700)
(2) Removal of Curling Component & Reallocation of Parking	(\$ 17,762,100)
(3) Removal of Rooftop Uses (Sports Court / Walking Track)	(\$ 3,093,100)
(4) Reduction of South Building Form	(\$ 2,086,500)
(5) Reduction of Building Windows	(\$ 204,600)
Redesign Implications	
Redesign Fees	\$ 358,000
Proposed Combined Capital Reduction	(\$ 27,415,000)

As reported in the July 2018 report, the total estimated net operating cost for the existing scope is \$2.5 million per year. (The current net operating cost of the existing HJCRC is \$1.1 million per year.) With the recommended project scope reductions, it is anticipated that the net operating cost could be reduced as follows:

Potential Operating Cost Reductions (Per Year)	
(1) Reduction of 53 M 8-lane Pool to a 26.5 M 10-lane Pool	(\$200,000 – \$1,000,000)
(2) Removal of Curling Component	(\$150,000 – \$250,000)
(3) Removal of Rooftop Uses (Sports Court / Walking Track)	Modest Reduction
(4) Reduction of South Building Form	Modest Reduction
(5) Reduction of Building Windows	Modest Reduction
Proposed Combined Annual Net Operating Reduction	(\$350,000 - \$1,250,000)

In addition to the reductions in capital cost and net operating costs, with the proposed project scope reductions, the long-term maintenance and lifecycle costs would also be reduced. Long-term maintenance and lifecycle costs are significant, in particular for maintenance and equipment intensive components such as aquatics and curling. A lifecycle cost analysis will be undertaken as part of the next phase of the work.

Risk Mitigation Measures – Enhanced Project Management:

Two enhancements to the HJCRC project structure are being proposed to mitigate risk and increase project transparency.

1. External Project Management:

It is proposed that external project management is secured, through a competitive Request for Proposal process, for the duration of the HJCRC project. Scope of work for external project management would include, but not be limited to:

- Communications: coordinate information to the HJCRC project team, stakeholders and general public
- Design: manage the design team and process to ensure quality, schedule and cost targets are being achieved
- Procurement: liaise with CNV Purchasing through the execution of design and construction tenders ensuring fairness and transparency

- Scheduling: prepare, monitor and update the master schedule, by tracking progress against baseline critical path
- Budget and Cost Control: prepare master budget and cash flow projections and update as needed to reflect necessary adjustments
- Quality Control: implement quality control program and tracking system
- Risk: prepare risk management plan to identify project exposure and establish risk mitigation measures
- Project Reporting: report on schedule, risk items, project costs and forecasted costs through a monthly reporting structure

External project management will allow for additional oversight and capacity to deliver the project and will ensure that City staff have the capacity to undertake overall project oversight, internal coordination, as well as existing work plans.

2. HJCRC Citizens Committee of Experts:

It is proposed that a HJCRC Citizens Committee of Experts be established. The purpose of the Committee will be to provide an additional layer of oversight, accountability and transparency for the project. Through regular updates to the Committee by the HJCRC project team, the Citizens Committee of Experts will be able to help guide the overall effectiveness of the project. The Terms of Reference for the committee will be shared with Council at a future date.

Two additional risk mitigation measures related to HJCRC are possible. These options are being further assessed and updates will be provided to Council for consideration.

- **Pay Parking:** There is potential to include pay parking within the HJCRC project. Within the Lower Mainland there are several community recreation centres in areas with parking demand which have pay parking. Pay parking can offset the capital cost of parking. As well, pay parking can be implemented as a TDM strategy to reduce vehicle traffic and manage parking demand. Prior to implementing pay parking, the development of an area-wide parking policy and plan would be required to manage the parking supply and address potential spillover impacts into residential areas where there are currently no parking restrictions. This can occur prior to the new HJCRC opening as part of the City's long-range mobility plan which will include a city-wide parking and curbside management strategy that applies demand-based management principles to rate setting.
- **Early Closure of Existing HJCRC:** There is potential to close the existing HJCRC complex prior to the completion of the new facility. This will enable greater flexibility in phasing of the Harry Jerome Neighbourhood Lands (HJNL) and reduce the requirement for bridge financing. This however is not without impact to users. The Harry Jerome complex (comprised of three buildings) serves more than 272,000 visits per year through a wide variety of services, plus special events and space rentals. The centre provides 1,570 programs annually for 7,800 registrants. Rentals bring in another 5,400 visits. Closure of these

spaces will result in reduction in service and the relocation of some services to other recreation centres and venues where possible. It will be a significant challenge to find alternate spaces within the neighbourhood.

FINANCIAL IMPLICATIONS:

Project Estimates:

Project estimates are being undertaken for this project as part of the design process at four key intervals, as follows:

- Class 'D': Concept Design - Order of Magnitude: +/-50% (10% design completion)
- Class 'C': Schematic Design - Preliminary Design: +/-15% (25% design completion)
- Class 'B': Design Development - Detailed Design: +/-10% (50% design completion)
- Class 'A': Tender Drawings - Pre-Tender Design: +/- 5% (95% design completion)

Class 'B' Estimate:

As part of the design development phase, a Class 'B' estimate has now been completed. The Class 'B' estimate is based on the program as detailed in the Schematic Design (presented July 2018). The estimate was prepared by an independent Professional Quantity Surveyor, based on current day considerations of construction on the North Shore, world market uncertainties and a re-evaluation of recent escalation rates. The Class 'B' estimate represents project costs +/-10%.

The Class 'B' cost estimate for the HJCRC project (based on program scope as approved in July 2018) is as follows:

	CLASS 'B' (Feb 2019)	CLASS 'C' (July 2018)
Construction & Soft Costs	\$ 181,014,900	\$ 166,963,600
Contingencies & Escalation	\$ 28,872,900	\$ 32,337,300
Project Oversight (Internal / External)	\$ 2,891,000	\$ 1,391,000
HJCRC TOTAL	*\$ 212,778,800	\$ 200,691,900

**Additional items included in the 2019 Class 'B' estimate not included in 2018 Class 'C' are as follows: \$1.5 million for External Project Management and \$500,000 for BC Hydro capacity design (cost of required physical upgrades still to be determined).*

Within the Class 'B' estimate there are a few items worth noting:

- Present day bids for items experiencing the greatest escalation impact (such as steel) were acquired to verify estimates
- Pricing includes the cost impact of USA tariff on steel and aluminum
- An escalation rate of 9% to June 2020 (anticipated construction start date) is included
- In determining the escalation rate, a trade by trade analysis was undertaken

Class 'B' Reduced Scope

As part of undertaking the Class 'B' estimate, each of the project scope reduction options were assessed by the Professional Quantity Surveyor.* With incorporation of all

five recommended project scope reductions, the Class 'B' estimate would be adjusted as follows:

	CLASS 'B' CURRENT SCOPE	CLASS 'B' REDUCED SCOPE
Construction & Soft Costs	\$ 181,014,900	\$ 157,559,200
Contingencies & Escalation	\$ 28,872,900	\$ 24,913,600
Project Oversight (Internal / External)	\$ 2,891,000	\$ 2,891,000
HJCRC TOTAL	*\$ 212,778,800	*\$ 185,363,800

* The reallocation of parking from underground to surface has been completed to a Class 'D' estimate (+/- 20%).

The Class 'B' estimate does not contemplate any grant contributions; however, as per Council's resolution of February 11, 2019, an application to the Investing in Canada's Infrastructure Program (ICIP) fund has been made, requesting a grant of \$20 million. Staff will update Council on any updates or outcome of the grant application process; a decision from the senior levels of government is not anticipated until Fall 2019.

Lastly, as part of reviewing HJCRC costs, throughout the schematic and design development process, the HJCRC project team has benchmarked specific component costs against other recreation centers in the Metro Vancouver area on a cost per square foot basis per component type (eg. aquatic space). This unit rate comparison has been helpful in the design process and ensured alignment with the project budget from early design stages to more detailed planning. This benchmarking exercise evaluated municipally-owned, institutional quality recreation projects. It is important to note however that a detailed comparison of complete facilities (as opposed to specific components) is an extremely complex exercise, in that no two projects are ever completely alike and that variables such as program, lot size, site complexity, location, year of construction, applicable codes and project delivery can cause costs to vary significantly from one project to the next.

HJCRC Financing

The July 23, 2018 report of the Director of Finance set out the proposed financing plan for the projects within the Harry Jerome precinct, including the new HJCRC and the non-recreational amenity projects (Attachment #3). Primarily financed by the long-term lease revenues from the HJNL, the construction of the new HJCRC will only initiate with acceptable funding availability and risk mitigation measures in place.

As part of the overall funding structure, there are a number of additional related projects included. An overall cost summary is outlined below. It is important to note that while the HJCRC project costs have been refined through successive development, the non-recreation amenity projects are based on initial conservative estimates and assume no additional capital from partnerships or senior levels of government.

Harry Jerome Precinct Projects

	Existing HJCRC Scope	Reduced HJCRC Scope
HJCRC	\$ 212,778,800	\$ 185,363,800
Lawn Bowling	\$ 6,500,000	\$ 6,500,000
Silver Harbour Interim	\$ 3,000,000	\$ 3,000,000
Temporary Skatepark	\$ 350,000	\$ 350,000
subtotal	\$ 222,628,800	\$ 195,213,800

Non Recreational Amenities

New Park / Green Necklace (HJNL)	\$ 6,500,000	\$ 6,500,000
Non Market Housing Units (80)	\$ 15,400,000	\$ 15,400,000
Childcare (37 spaces)	\$ 5,000,000	\$ 5,000,000
subtotal	\$ 26,900,000	\$ 26,900,000

TOTAL PRECINCT COSTS \$ 249,528,800 \$ 222,113,800

With the Class 'B' estimate, the HJCRC costs are better refined however they do exceed slightly the funding provided from the HJNL. However, as a whole, the total precinct costs, when including the current HJCRC project scope and non-recreational amenities, is higher than the total revenue for the HJNL and additional sources of revenue are required. A reduced HJCRC scope scenario provides some savings.

NEXT STEPS:

The HJCRC project team is currently in the final stages of design development. Assuming direction from Council to proceed with the recommended cost reductions, the anticipated timeline would be as follows:

PROJECT SCHEDULE (with reduced scope)	START	FINISH
Council - Project Approval to Proceed	July 2018	
Council - Confirmation of Project Scope	March 2019	
HJCRC Redesign Stage	Mar 2019	April 2019
HJCRC Contract Document Stage	May 2019	Feb 2020
Council – Approval to Proceed to Tender	Nov 2019	
HJCRC Tender & Permits	Jan 2020	May 2020
Silver Harbour Relocation (Interim)	Sept 2021	Sept 2023
HJCRC Construction	June 2020	Mar 2023

HJCRC Commissioning	April 2023	Oct 2023
HJCRC Project Completion	Nov 2023	

If direction was given to proceed based on the original Schematic Design scope, the project would remain on the same timeline as presented in July 2018 (project completion Sept 2023).

Without confirmation of direction from Council, the HJCRC project should be paused. It is possible to pause the project; however, there are costs associated with delays. Most significantly, the project is currently carrying \$15.4 million in escalation contingency assuming a projected construction commencement date of June 2020 and a delay will likely require an increase in the escalation costs carried. In addition to financial considerations, delays will cause a loss of momentum and likely the reassignment of consultant team members to other projects, leading to a loss of project knowledge and continuity.

With confirmation to proceed, as part of next steps, the following will also need to be finalized: consolidation of the two lots comprising the HJCRC lands and a review of final lot coverage and setbacks.

As part of the contract document stage, two additional cost estimates will be completed. Throughout the contract document phase, the HJCRC project team will continue to review and seek out cost saving opportunities. To keep to an efficient construction schedule, staff will seek endorsement from Council to proceed with a construction tender for site demolition, site prep and site servicing prior to full building tender.

Updates on Related Projects:

In 2018, following Council direction, a feasibility study for the Mickey McDougall Site and Building was undertaken which included consideration of both Flicka Gymnastics Club and the North Vancouver Lawn Bowling Club. Updates on both of these projects are outlined below.

Flicka:

In the spring of 2018, staff and Flicka Gymnastics Club undertook a Feasibility Study for the Mickey McDougall building. Three options for the use of the Mickey McDougall Building were detailed. The preferred option for Flicka at that time was to repurpose the building with minor renovations. Flicka’s Board of Directors provided a resolution indicating the Mickey McDougall Community Recreational Centre does have the potential to operate as a gymnastics facility. It also noted the need to establish and negotiate financial and logistical considerations for a possible lease. In June 2018 at the Flicka AGM, the membership expressed concerns that this repurpose option may not best accommodate the current program. It requested a sub-committee be established to investigate other options that would at minimum, meet the needs of the current and future community demand for gymnastics.

In November 2018, Council directed staff to discuss a variant of Option 3 (a new replacement facility) with Flicka. Over the past few months, staff have met with Flicka to discuss future potential options. Flicka has indicated they are working towards developing a proposal for a new facility located at the Mickey McDougall site to meet future needs, as well as current growth, in their programs. To realize their goal, Flicka has stated that they would seek support with potential contributions of funding, land (a long-term lease), a permissive tax exemption, as well as support to approach other levels of government for funding. Staff will continue to work with Flicka to review progress with their proposal as well as discussing Flicka's options for an interim temporary facility if required.

Lawn Bowling:

In July 2018, Council endorsed the redevelopment of the North Vancouver Lawn Bowling (NVLB) clubhouse and greens at the Mickey McDougall site. The lawn bowling project will deliver a new City-owned clubhouse (6,850 sq.ft.), along with two lawn bowling greens (artificial turf fields). The facility and greens will be leased to the North Vancouver Lawn Bowling Club (NVLB). Since July 2018, staff have been working with the NVLB Club on the design development. The site preparation and greens will be ready to tender very shortly, with the clubhouse tender anticipated in early spring 2019. It is anticipated that NVLB Club will be operational in the new facility mid to late 2019. The Lawn Bowling project has a pre-approved budget of \$6.5 million.

INTER-DEPARTMENTAL IMPLICATIONS:

This project and report has been developed by the HJCRC project team with input by the Leadership Team on February 13, 2019.

RESPECTFULLY SUBMITTED:



Heather Reinhold
Deputy Director, Strategic Initiatives & Services

Harry Jerome Community Recreation Centre

Submitted by: Mayor Buchanan

Moved by Mayor Buchanan, seconded by Councillor Girard

WHEREAS the Harry Jerome Community Recreation Centre (HJCRC) project has identified several key risks inherent in its current scope and implementation;

WHEREAS the HJCRC project has a total project budget of \$200.7 million;

AND WHEREAS the current HJCRC project requires the City to establish bridge financing of \$90M externally and \$20M internally for construction to mitigate the inherent risks;

THEREFORE BE IT RESOLVED that staff are directed to implement the following risk mitigation and cost containing approaches:

THAT a letter be sent to the District of North Vancouver requesting formal written correspondence on their commitment to adhere to the current cost sharing agreement for recreation for all components within the new HJCRC;

THAT staff bring forward a report considering a change of scope for HJCRC, up to date cost estimates and related cost mitigations for:

- a 25m pool vs 50m pool;
- evaluating use of windows in the arenas (to minimize operating and capital costs);
- other architectural features that can be minimized for cost savings; and
- any additional recommendations minimizing cost and risk exposure;

THAT staff reopen the three options presented in the report dated July 18, 2018 with Flicka Gymnastics Club to determine whether Option 3 is a viable choice for Flicka in partnership with the City (where Flicka raises cost of capital towards a new building);

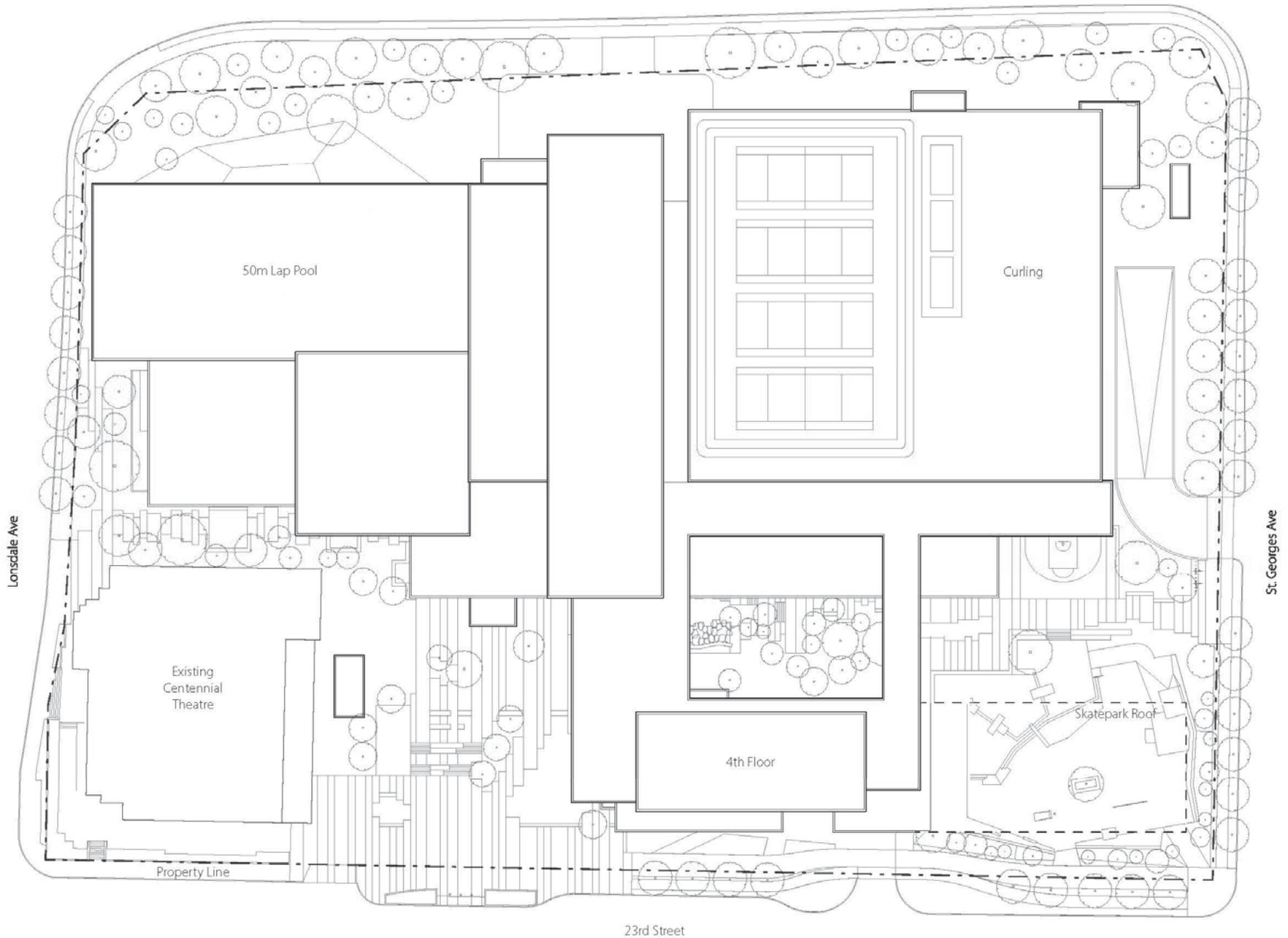
THAT staff report back to Council with satisfactory risk mitigation measures that include:

1. an implementation schedule or plan that negates the requirement of borrowing by the City of North Vancouver;
2. an enhanced project management and oversight structure including creation of a citizens committee of experts;

AND THAT staff issue the construction tender for HJCRC only upon Council's direction and approval of satisfactory risk mitigation measures for the project.

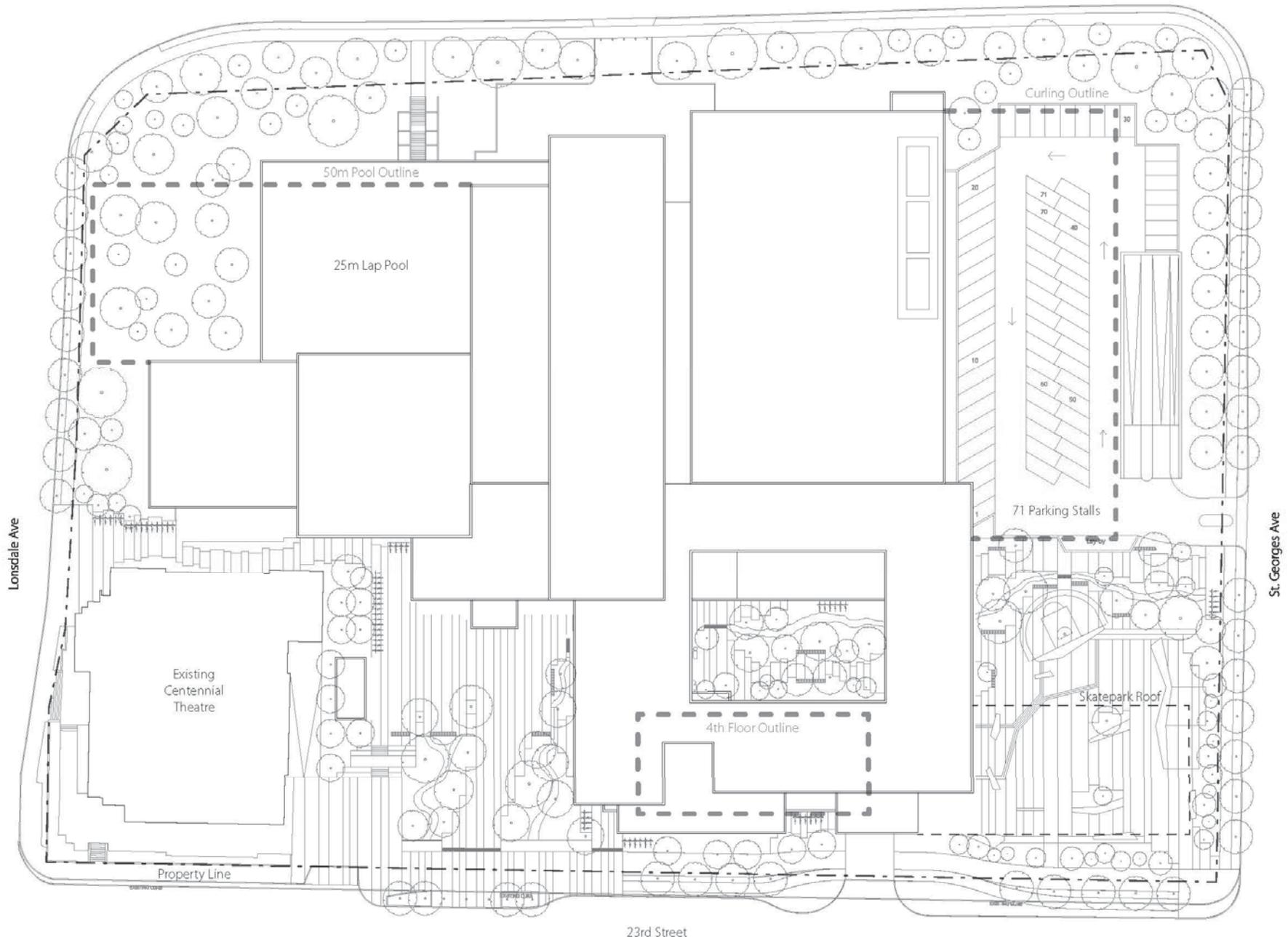
HJCRC SITE PLAN – JULY 2018
(53 M POOL / CURLING / ROOFTOP USE)

Trans Canada HWY (on ramp)



HJCRC REDUCED SCOPE SITE PLAN – FEBRUARY 2019
(26.5 M POOL / NO CURLING / SURFACE PARKING / NO ROOFTOP USE)

Trans Canada HWY (on ramp)



23rd Street