TO: Mayor and Members Committee of the Whole  
WARD(S) AFFECTED: CITY WIDE

COMMITTEE DATE: July 7, 2010

SUBJECT/REPORT NO:  
International Event Opportunities – 2015 Pan Am Games Update (CM09006(e))  
(City Wide)

SUBMITTED BY:  
Chris Murray  
City Manager

PREPARED BY:  
David Adames (905) 546-4132

SIGNATURE:

RECOMMENDATION:

(a) That the Report from the Facilitator, attached as Appendix “A” of Report CM09006(e) be received;

(b) That staff be directed to evaluate, in addition to the West Harbour Precinct, a possible second option for the Pan Am stadium, identified in the Facilitator’s Report as the East Mountain precinct (Option B);

(c) That the evaluation be undertaken with the full participation of the Hamilton Tiger-Cats, the 2015 Pan Am Games Host Corporation and Infrastructure Ontario;

(d) That staff be authorized to send correspondence to the 2015 Pan Am Games Host Corporation, Federal Government, Ontario Realty Corporation and Metrolinx indicating that the City and Tiger-Cats are conducting further evaluation for the Pan Am stadium; and

(e) That staff report back to Council by August 31, 2010.

Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.  
Values: Honesty, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork
EXECUTIVE SUMMARY

Through Report CM09006(d) Council approved the terms of reference to undertake a facilitation process on the Pan Am stadium with the Hamilton Tiger-Cats. With receipt of the Facilitator’s Report, attached to Report CM09006(e) as Appendix A, the facilitation process has concluded. A key part of the facilitation process was identifying and evaluating stadium sites using a “two track” method. One track was assessing the West Harbour precinct. Although a number of alternate stadium sites was tabled by the Tiger-Cats, staff and representatives of the Tiger-Cats agreed that a viable alternate site to evaluate is the East Mountain precinct. This Option B site met a number of criteria identified by the Tiger-Cats, including accessible via a major road (Lincoln Alexander Parkway and Red Hill Parkway) and GO Transit (future bus service) as well as providing a highly visible site. There was not enough time during the facilitation process to provide an adequate evaluation of this Option B site so staff is recommending reporting back to Council by August 31, 2010 with a full evaluation of the two options.

The City has a signed Multi-Party Agreement with the 2015 Pan Am Games Host Corporation that stipulates the construction of a new stadium and velodrome in Hamilton. Through Report CM09006(b), Council had approved the West Harbour as the site for the stadium and velodrome through the following recommendation, “That the West Harbour precinct be approved as the site for the new Pan Am stadium, warm-up track and velodrome. The following motion was also approved “That should the West Harbour Plan fail, that the City explore other options as potential sites including the East Harbour Front among others”.

The timeframe outlined in this report will allow staff to engage with the Tiger-Cats, their partners, the development community and other parties to assess development and investment opportunities for both precincts. During the evaluation of the two options, staff will confirm the financial commitment to the two options by the Tiger-Cats and their partners. At the end of the evaluation of the two options, staff will report back to Council on the best option for the City.

Outside of the Facilitation process, staff continues to work on the recommendations approved by Council through Reports CM09006(b) and CM09006(c), including work in the west harbour (land acquisition, environmental testing), consultation with sport organizations for the venue verification process, community consultation, business plan for the velodrome and development of a social inclusion strategy. Staff will continue to provide Council with updates on these activities.
FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial:
City costs associated with the evaluation of the two options will be paid through the City’s Pan Am Games capital budget.

The City’s financial contribution to Pan Am Games ($60 million) is being funded from the Hamilton Future Fund.

Staffing:
The City Manager will coordinate the evaluation of the two options. Other staff will provide the required support during the process as well.

Legal:
N/A

HISTORICAL BACKGROUND

Chronology of Pan Am Games Reports and Milestones
June 7, 2010: Council approved Report CM09006(d) approving the terms of reference for the facilitation process.

May 19, 2010: Council approved motion appointing Michael Fenn as Facilitator.

February 18, 2010: Council approved Reports CM09006(b) and CM09006(c) “International Event Opportunities – 2015 Pan Am Games Update”.


November 6, 2009: Pan American Sports Organization awarded the 2015 Pan Am/Parapan Am Games to Canada.

September 14, 2009: Staff provided City Council with an Information Update to report on activities during the bid phase, as communication follow up to Report CM09006 “International Event Opportunities – 2015 Pan Am Games Bid Update”.


January 12, 2009: Through Report PED08091(b), City Council approved Hamilton’s list of sport venues and sites to be investigated to locate the stadium and velodrome as part of the bid process.
November 10, 2008: Through Report PED08091(a), City Council approved the establishment of a Community Advisory Committee and staff secondments to work on the bid.

May 5, 2008: Staff provided City Council with an Information Update to report on activities related to Report PED08091 “International Event Opportunities”.

April 7, 2008: Through Report PED08091 “International Event Opportunities”, City Council authorized staff to participate in the Pan Am Games bid process.

POLICY IMPLICATIONS

The City’s participation in the 2015 Pan Am Games relate to the:

- City’s 2010 Corporate Priority Plan and the City’s Strategic Plan;
- Hamilton Future Fund Mission and Guiding Principles

Option B: The following reports contain background information to the site and area:

- Applications for Amendments to the City of Stoney Creek Official Plan and Zoning By-law No. 3692-92, and for an Amendment to the City of Hamilton Zoning By-law No. 6593, for the Lands Located at the Northwest Corner of Stone Church Road East and the Red Hill Valley Parkway Ramps (Stoney Creek / Hamilton) (PED09185) (Wards 6 and 9)
- Application for an Amendment to the City of Hamilton Zoning By-law No. 6593, for the Lands Located at the Southwest Corner of Stone Church Road East and the East Mountain Extension (Hamilton) (PED09188) (Ward 6)
- Applications for an Amendment to the Stoney Creek Official Plan and Changes in Zoning for Lands Located on the Northwest Corner of Highland Road and Upper Mount Albion Road (Stoney Creek) (PED09220) (Ward 9)
- Trinity West Secondary Plan and Official Plan Amendments (PED07236(d)) (Ward 9)
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RELEVANT CONSULTATION

Corporate Services Department – Legal Services
Michael Fenn, Facilitator
Hamilton Tiger-Cats
2015 Pan Am Games Host Corporation
Province of Ontario – ORC, Metrolinx, Ministry of Health Promotion

ANALYSIS / RATIONALE FOR RECOMMENDATION

A key consideration for evaluating two options is the effect the process may have on the timing of designing and constructing the stadium. The stadium needs to be constructed and operational in the summer of 2014 in order to host test events in advance of the 2015 Pan Am Games. Construction itself will take approximately two years, with a one year design phase. Therefore, staff needs to work through the Host Corporation and Infrastructure Ontario to ensure that special consideration be given to the stadium project to comply with timelines. However, given Hamilton’s experience with large-scale capital projects and the fact that at the time of this report there is a four year time horizon, there is adequate time to undertake this project.

For either option, the need to explore a broader precinct or district development and investment plan is a key part of the evaluation process. The City’s involvement in the Pan Am Games has always been about leveraging its investment for additional uplift. Evaluation of both options will involve engagement with the development industry to assess investment opportunities.

As part of past Commonwealth Games bids staff and consultants reviewed, at a high level, a number of possible sites for sports facilities, including the stadium. Both the West Harbour and the East Mountain sites were part of the evaluation in 2003, although the latter site was not put forward as the preferred Greenfield site. During the Pan Am Games bid phase, the reports were re-visited and a short-list of sites, including the West Harbour precinct, was brought forward to Council through Report PED08091(b).

Option A: The West Harbour Precinct:

Following approval of Report CM09006(b) and CM09006(c), staff began acquiring property in the West Harbour precinct. At the time of this report, the City controls 20 acres of property in the precinct, providing adequate land to construct the Pan Am facilities. Environmental testing has also been underway during the same time. Staff has been meeting with Metrolinx, Infrastructure Ontario and Host Corporation staff about site issues.
Option B: East Mountain Precinct:

During the facilitation process, the Tiger-Cats shared seven criteria to consider a location for a stadium. It was acknowledged that no one site would meet all criteria. These seven criteria are:

- Multiple Direction Highway Access within 1km of the stadium
- Parking on-site
- Multi-direction Arterial Road in/out of stadium
- Suburban Commuter Train within 1km of stadium
- LRT within 1km of stadium
- High Visibility Location
- (negative) Located within 1.5km of a residential neighbourhood

The subject land is owned mostly by the Ontario Realty Corporation (ORC), with an 8 acre parcel owned by the Hamilton District School Board. During the facilitation process, staff and the Tiger-Cats met with representatives of the ORC to discuss the property. With approval of Report CM09006(e), staff will send correspondence to the ORC requesting that the land be held back from sale while the City and Tiger-Cats evaluate the site. Staff and the Tiger-Cats also met with representatives from Metrolinx to discuss both the West Harbour site and the East Mountain site. Metrolinx had identified a possible GO bus “park and ride” site adjacent to the East Mountain site, providing an opportunity to link GO transit to the precinct. With approval of Report CM09006(e), staff will send correspondence to Metrolinx indicating the importance and need for GO train service to both the downtown and Centennial Parkway corridor as well as the GO bus service to the East Mountain site. Should option B be the eventual site for the Pan Am stadium, staff will bring forward options for development of the West Harbour precinct. In other words, pursuing option B will still result in redevelopment of the West Harbour precinct to achieve city building goals.

ALTERNATIVES FOR CONSIDERATION:

Alternative A: Council could proceed with constructing the Pan Am stadium, as per the specifications outlined in the bid, at the West Harbour precinct.

Alternative B: Council could proceed with the East Mountain precinct for the stadium.
CORPORATE STRATEGIC PLAN


**Skilled, Innovative & Respectful Organization**
- More innovation, greater teamwork, better client focus

**Financial Sustainability**
- Delivery of municipal services and management capital assets/liabilities in a sustainable, innovative and cost effective manner

**Intergovernmental Relationships**
- Influence federal and provincial policy development to benefit Hamilton
- Acquire greater share of Provincial and Federal grants (including those that meet specific needs)
- Maintain effective relationships with other public agencies

**Growing Our Economy**
- A visitor and convention destination

**Healthy Community**
- An engaged Citizenry

APPENDICES / SCHEDULES

Report CM09006(e) contains the following appendix:

**Appendix “A” – Facilitator’s Report**

DA: mh
(Attach.)
REPORT OF THE FACILITATOR

City of Hamilton / Hamilton Tiger-Cats discussions on the location of Hamilton stadium facilities for the 2015 Pan Am Games and subsequent uses
Subject I. Report of the Facilitator

Section 1.01 - These are the findings and recommendations of the Facilitator appointed jointly by the Hamilton Tiger-Cats and the City of Hamilton, in respect of the options for locating stadium facilities in Hamilton, to accommodate the Pan American Games, the Canadian Football League, and other uses, for the benefit of the residents and the economy of the Hamilton region.

Subject II. Requirements of Terms of Reference

Section 2.01 - The Terms of Reference for the Facilitation, approved by the City of Hamilton (June 7, 2010, item 7.1, from Committee of the Whole Report 10-015) and the Hamilton Tiger-Cats, provide as follows:

“...The mandate of the Facilitation process and the goal of the Parties is to produce a result that reflects a strong business case for the stadium and its tenants, while supporting the community-building objectives of the City of Hamilton, benefitting Hamilton residents and taxpayers, and providing a positive legacy for the Hamilton community.” [Page 1]

Section 2.02 - The Terms of Reference also provided, as follows:

“...3. In Week Three (June 16-22), the Parties would engage in a series of direct and indirect (through the Facilitator) discussions, focusing on developing the best option for the West Harbour / Downtown venue, and the best alternative (or limited number of alternatives) within the boundaries of the City of Hamilton, along with a summary of the significant shortcomings of each. This process would include consideration of physical location and facility design, as well as related commercial and land-use development potential, complementary venues, transportation connections, financial parameters / assumptions, ‘approvals’ and time-lines, and so on. These options might include proposals to modify the intended use of the stadium facility, both for the Pan Am Games and for other future purposes, including professional sport and other spectator entertainment uses...” [page 4]

“....4. In Week Four (June 23-29), the Parties would continue the effort to find a single set of proposals that meets their main requirements, recognizing that some modification of their existing corporate positions and preferences may be required to secure the funding for the stadium and related facilities and / or to realize the full economic potential of a recommended site....”[pages 4-5]

“.... At the end of Week Four (June 29) or within several days thereafter, the Facilitator will develop a short draft Facilitator’s Final Report, for consideration
by the Parties...The Facilitator’s Report will detail the progress in the facilitated discussions, the remaining items in dispute or unresolved, and proposals for moving forward. The Report will be written for public disclosure, with a confidential appendix containing any matters of commercial sensitivity or where the public interest must be protected (e.g., property acquisition). The draft Facilitator’s Report will be reviewed by the Parties and any other appropriate entity, prior to its release in its original or amended form, to the ownership of the Tiger-Cats and to City Council.”[page 5]

Section 2.03 - The Terms of Reference also provided for the option of creating a reference group of City Council members, to provide advice to the City’s “primary contacts”/ “lead negotiators”: City Manager Chris Murray and Tourism Director David Adames. It is the Facilitator’s view that this group of individual “advisors to the facilitation process” (Eisenberger, Bratina, Duvall, Ferguson, Jackson, Pearson, Powers, Whitehead) has proved to be a very constructive element in the facilitation process. Their willingness to adjust their schedules with little notice to attend and query technical presentations was appreciated by all involved.

While their attendance rate was inevitably variable due to other public commitments, the active involvement of the Council advisors in the facilitation process was seen as evidence of their commitment to finding a mutually acceptable solution to the matters in disagreement.

The questions of Council members on key issues and the discussions to which they contributed also proved to be illuminating, especially to the Facilitator, notably the discussion of key and unfamiliar sports-industry concepts, such as “contractually obligated income” (“COI”).

Section 2.04 - The Terms of Reference also detailed and provided for the option of creating an Advisory Panel of Experts, consisting of technical experts and conversant community leaders, to assist the parties in resolving specific issues. The parties did not choose to employ that device.

Subject III. Criteria for locating a stadium complex

Section 3.01 - The parties heard technical advice from a variety of recognized experts from within Ontario and across North America.

Section 3.02 - Timely decision and legacy uses:

The parties recognized the importance of a timely decision and clear choices on Pan Am events, in order to meet the timetable and requirements of the Pan Am Games. However, the focus of the discussions between the parties was on measures that would ensure the long-term financial and operational viability of the stadium facilities for the City and for the Tiger-Cats (so-called “legacy facilities”).

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Section 3.03 - Operational and financial sustainability:

While the primary, high-profile users of a post-Pan Am legacy stadium facility in Hamilton would be the Hamilton Tiger-Cats of the Canadian Football League, the Tiger-Cats represent only ten assured home games each year. This level of stadium use will make neither the team nor the stadium financially self-sustainable. Without additional stadium-complex uses producing significant net revenues, a Hamilton stadium – at any location – appears destined to face operating losses. Without additional stadium-related revenues, the financial viability of the Tiger-Cats franchise in Hamilton is also impaired.

Section 3.04 - Potential stadium-related revenues:

In other cities, the capital and operating costs of stadium complexes and professional sports franchises are offset from a variety of income sources, such as promotional revenues and sponsorships, retail and hospitality sales on the property and in the precinct, parking revenues, revenues from extraneous sources (such as broadcasting revenues), and / or from related property-development opportunities. (It is important to note that individual teams in the Canadian Football League do not currently enjoy significant broadcasting or internet revenues, despite the growing popularity of Canadian professional football in many Canadian regional markets).

Section 3.05 - Contractually obligated income:

The experts who made presentations were queried by the parties about the sports-industry concept of “contractually obligated income”. Since few major sports teams could exist solely on basic ticket-sale revenues, professional sports franchises aim to combine a range of revenues that trade on both the team’s broad market acceptance and its event attendance. (This is an area of special interest to Canadian Football League teams, which currently draw most of their income from ticket sales and are also, therefore, very conscious of measures that might enhance or restrict ticket sales.) This list of potential revenues is materially influenced by whether the sport franchise also manages (or has an ownership stake in) the stadium facility / complex.

Potential income is also influenced by the range of stadium-complex revenue-generating opportunities in which the team franchise can share: stadium ‘naming rights’, commercial signage and promotional revenues; adjacent commercial / retail / hospitality-trade income; commercial, residential or institutional property development opportunities and lease-revenues associated with the site; seat-licenses, corporate boxes and prestige ticketing; incentives for more repeat ticket sales and other events ticket sales among existing clients; preferred and proximate parking revenues; gaming revenues; et cetera.

In many venues, the fact that the major user of a facility was also responsible for operating the facility seemed to provide an opportunity to maximize net-revenues for
both entities. In those situations, it was not uncommon to see the team owners as co-investors.

Section 3.06 - There is an inevitable competition over limited and often unpredictable stadium-related revenues among the three classes of interests in any stadium or stadium complex:

i) Primary stadium users (e.g., professional sports teams, which generate the event revenues and a variety of team-related or event-related sales and sponsorships);

ii) Stadium-builders and stadium-owners (who seek a return on their capital investment); and,

iii) Stadium-operators (who assume the risks of managing, maintaining and marketing the facilities, with an expectation of a financial return)

In many locations, this inherent competition over finite revenues has been overcome with a mutually acceptable joint risk-reward agreement. However, these risk-reward agreements are volatile and may unravel with time and changing economics.

Alternatively, many stadium ventures have adopted a ‘vertically integrated’ format, melding the economic interests of primary stadium users, facility operators and facility owners / builders. In this latter format, a single business entity simultaneously advances the interests of one or more of the primary users of the stadium facility (teams), the operator of the facility, and in some cases, especially where related property development is part of the business arrangement, the builders / owners of the facility or complex.

A variation on this approach is the so-called sports-and-entertainment district concept, where a synergistic effect is achieved from a variety of related uses and attractions, attracting a number of related investors and businesses.
Section 3.07 - Designing / constructing Pan Am Stadium facilities to optimize legacy uses:

The size and design of the Hamilton stadium must accommodate a range of compatible uses to be an economic success. This is a matter of specific concern to Hamilton, as the Pan Am Games events currently proposed for the stadium (specifically, track-and-field) may result in a stadium with sightlines and dimensions that are not as attractive for team-sports spectators, in contrast with those of, for example, Ivor Wynne Stadium or BMO Field. Incorporating a permanent ‘sanctioned’ athletics track within the confines of a new stadium, as was done for the Commonwealth Stadium in Edmonton or the Olympic Stadium in Montreal for similar reasons, has arguably come at the expense of the spectator experience for professional team sports in those venues.

Reconciling these two differing preferred stadium alignments / dimensions might be achieved in several ways:

- by reconfiguring the Pan Am stadium for team sports following the Pan Am Games
- by negotiating a modification of the Hamilton-based Pan Am Games events, to provide equivalent, high-profile events for the Pan Am Games within Hamilton, but that would not require a sanctioned track within the stadium confines
- by building the stadium in two phases, before and after the Pan Am Games.

Section 3.08 - Stadium requirements:

Pan Am Games officials have indicated a willingness to approve and fund a Pan Am Games stadium for track-and-field events, to accommodate ~15,000 spectators. Those promoting Hamilton’s bid for the Commonwealth Games, and now achieved through the Pan Am Games commitment, rightly saw this as an opportunity to build a stadium to replace the outdated, municipally-owned Ivor Wynne stadium, with capital funding that would not otherwise be available, and also avoiding significant near-term capital investments in that obsolescent facility by the City on its own. The City and the Tiger-Cats share this view.

To that end, the City had asked its consultants (Deloitte) to explore the feasibility of building a stadium with an additional ~10,000 seats, along with an estimate of the associated cost and operational implications and impacts. The focus of that work was the West Harbour site and on stadium economics.
Section 3.09 - The parties agree that a new stadium should be designed in a manner that maximizes the ‘event experience’ of customers and that projects a realistic estimate of the ticket sales potential of the greater Hamilton region. The parties also recognize that ticket sales, and associated on-site revenues, will determine the financial viability of both the Tiger-Cats and the stadium facility.

The Tiger-Cats also made the point that a stadium with good visibility achieved three purposes: it makes the sale of ‘naming rights’ more lucrative; it associates the facility’s location in the minds of the general public, removing an obstacle to becoming a customer, especially for casual and out-of-town customers; and, it facilitates facility-based advertising of coming events and attractions.

Section 3.10 - In any “fixed cost” business, marginal sales are inevitably the most profitable and thus, additional or marginal ticket sales represent a significant net-revenue opportunity for all CFL teams. For stadium builders and operators, marginal ticket sales opportunities can justify a capital investment in additional seating capacity, but only when those seats can realistically be sold on a routine basis.

The Tiger-Cats would prefer to see a facility that accommodates 28,000-30,000 in a combination of stadium seating and in-stadium hosting / hospitality facilities, along with a capacity to expand seating on temporary basis to 45,000 for those years when Hamilton hosts the Grey Cup.
**Section 3.11 -** There is also a well-reasoned argument for fewer stadium seats than might be justified by peak seasonal attendance. This approach has influenced professional soccer and some CFL venues with their stadium design decisions. While more seating might be desirable, an element of scarcity in seating availability is potentially positive from a marketing viewpoint and it reduces avoidable capital costs.

The availability of additional but routinely unsold seating comes at a not-insignificant added capital cost. Large numbers of routinely unsold seats also undermine the attractiveness of the stadium for spectators, vendors, broadcasters and investors.

**Section 3.12 - A Hamilton Grey Cup:**

There is also merit in considering the ability of any stadium to be expanded on a temporary basis, in order to accommodate major, short-duration spectator events, such as the Grey Cup. The ability to provide seating for 45,000 is evidently the CFL’s precondition for a community being awarded the hosting of a Grey Cup festival and game. Hosting a Grey Cup on a periodic basis could be very beneficial for the economy and reputation of Hamilton and if staged effectively, it could represent a net positive investment for the Tiger-Cats.

**Section 3.13 - Stadium Procurement:**

Under Pan Am Games funding rules, the stadium would be constructed using the Ontario Government’s Infrastructure Ontario procurement process. The Infrastructure Ontario model would likely entail awarding to a successful bidding consortium, a contract for constructing and potentially operating a stadium facility, following a competitive procurement process. The procurement process typically involves an initial RFQ (request for qualifications) phase, through which bidding consortia are qualified and “short-listed”, based on their demonstrated ability to deliver the project in question. To meet the Pan Am Games timetable, this RFQ process would have to begin very soon.

The next stage of the Infrastructure Ontario procurement program involves a formal, extensive and expensive RFP (request for proposals) process. The RFP process might be undertaken without a specifically designated stadium site, if the other parameters were very clear and specific. The RFP process would necessarily require a specific stadium site being identified, ideally with land-ownership and all requisite approvals in place.

**Section 3.14 - Accommodating automobile traffic is crucial to stadium success:**

Based on the evidence presented by a range of experts, it would be reasonable to conclude that any Canadian (or North American) regional spectator sports venue – with the exception of concentrated urban markets supported by extensive rapid transit, such as New York, Montreal, Seattle or Toronto – will continue to depend on automobile access for the vast majority of its attendees, for the foreseeable future. It was noted that over
80% of the Tiger-Cats’ current market, and its projected expanded regional market, arrive by automobile.

With an aggressive promotion of transit and walking, particularly in an urban location, it may be possible to reduce the “modal split” between automobile and other forms of transportation. There may also be some potential for a deeper sales penetration within the Hamilton urban market, for repeat ticket sales or new spectator events.

Given the size and demographics of the sports and entertainment market within Hamilton, however, additional scope seems limited. The broader regional market centred on Hamilton appears to have greater and more sustainable market potential than ever-greater in-town sales efforts. Future success appears to depend on increased suburban and ex-urban attendees and more ticket sales in the higher-priced segment of the market.

Despite planned measures to install and promote transit and walking facilities in the West Harbour site, most of the football patrons – including important new customers from outside Hamilton – will likely arrive by automobile. Under the most optimistic of modal-split projections, it appears reasonable to expect that 75% of the ~25,000 patrons at football events will arrive by car (~18,750).

In any event, it certainly appears likely that the majority of stadium spectators will continue to arrive by automobile, irrespective of the stadium’s location or transit proximity. Adequate, convenient parking will be crucial to the success of the stadium.

**Section 3.15 -** The willingness of a regional, automobile-based spectator market to attend a sporting event therefore materially depends on the “driveway-to-driveway” experience of attendees. The attendees’ experiences can be influenced by highway congestion, local-area congestion and / or parking availability within reasonable walking distance, particularly following events or in inclement weather. A combination of traffic-management measures, pre-event and post-event attractions, highway and roadway infrastructure improvements, and adequate, convenient parking may overcome these obstacles. Realistically, however, remedial measures are constrained by considerations of potentially significant cost, uncertain approval requirements, space-extensive parking requirements, and the extent of justification for designing and investing in measures that primarily serve a limited number of episodic surges of traffic each year.

Many of these issues can be addressed and answered through further technical analysis. Sufficient macro-level technical work was done to satisfy the City that it could recommend the West Harbour site, but some of the findings remain inconclusive or unpersuasive to others, without further detailed analysis, which analysis is now being undertaken by the City. It is the Facilitator’s view that City Council and the Tiger-Cats should have this information available to them, before they make their final decisions.
on an optimum stadium location. It is work that can be completed fairly quickly, and it should be done, at least to a confidence-level on which decision-makers could rely.
Subject IV. West Harbour precinct stadium location

Section 4.01 - The parties disagreed on the ability of the West Harbour site to provide the appropriate level of local roadway access, despite the macro-level analysis provided by transportation consultants IBI Group indicating that the site could meet transportation demands. Similar lack of agreement continues between the parties in respect of the adequacy of highway access and the availability of parking, both volume and convenience.

Section 4.02 - The Tiger-Cats do not appear to accept that parking is sufficiently available within a walking distance that an expanding fan base would find acceptable. This is understandably an important issue for the Tiger-Cats. There is also an important causal relationship among site-access, convenient parking, parking revenues and ticket sales. To the extent that parking is not available, or its revenues cannot be “captured” for use in reducing team and stadium operating losses, lack of stadium-related parking is a significant obstacle to the financial success of both the stadium and the team. Also unresolved is whether any such parking revenues would be consigned to the Tiger-Cats, or to the stadium operators / builders / owners, or possibly to the City or private parking providers.

Section 4.03 - The City produced reports and experts that made the case for the West Harbour site, particularly addressing concerns in relation to transportation, transit, traffic and to a lesser extent, parking. The City’s reports also posited a significant potential allocation of stadium-related revenues to stadium financing and operations, rather than for team-focused purposes.

Section 4.04 - Both parties acknowledged, however, that the level of analysis was not yet sufficient to answer all the operational and financial questions that would need to be answered, including those raised by the Tiger-Cats. The City plans to undertake further transportation and traffic studies to refine its analysis and to support any required roadway, transit and traffic improvements and modifications.

Until such analysis is available, however, the Tiger-Cats make the case that they cannot reasonably be expected to make a major financial commitment to a West Harbour stadium location.

Even with such analysis, the Tiger-Cats’ public statements and Facilitation presentations made one point plainly: the Tiger-Cats simply do not believe that the West Harbour site can work for their business model, and it does appear unlikely that the findings of existing and future studies would alter that view.

Section 4.05 - The City is also exploring the potential for an integrated approach to sports facility operations in the West Harbour / Downtown precincts, although the Tiger-Cats have evidently yet to participate in those discussions. These latter
discussions with the Katz group are scheduled to reach a further decision point by the end of August 2010.

Section 4.06 - Technical information and business proposals may be produced that will persuade both the Tiger-Cats and the City of the opportunities and limitations of the West Harbour site, but that case would need to be produced within a very tight time frame. If the public comments of leading Pan Am Games officials are considered, there is apparently a very real risk of losing the potential Hamilton Pan Am investment, as well as the Hamilton stadium and Pan Am events, if a sustainable stadium-location choice is not made in the very near future or the West Harbour site’s suitability is not confirmed. It may therefore be unwise to commit to a single site with no viable alternative, unless and until these outstanding questions are addressed in a more complete manner. In other words, there may be merit in having a viable ‘Plan B’, as an “insurance policy”.

Section 4.07 - While there may be difficulties arising from recent developments, it is in the interests of both the parties and the people whom they represent – who are ultimately the same (the residents of Hamilton and region) – to make the effort to prove or disprove the assertions about the adequacy of highway access, local traffic congestion, adjacent and local parking, transit potential, and construction limitations, of the West Harbour site.

Section 4.08 - There is likewise merit in exploring the options to meld the business interests of the Tiger-Cats with the operation of the stadium and related facilities, and the potential for ancillary development, before a final choice is made.

Subject V. A viable alternative to the West Harbour site?

Section 5.01 - While the Tiger-Cats expressed concern over the limitations of the West Harbour site, neither the City nor the Tiger-Cats were in a position to produce a detailed proposal for an alternative location, as proposed in the Terms of Reference. Citing their criteria, the Tiger-Cats showed particular interest in a stadium location along the QEW / 403 corridors, including a site in the Confederation Park vicinity for either stadium location or parking facilities or both. For its part, the City had previously examined sites in the airport vicinity and within Confederation Park, but both sites were deemed unacceptable by City Council for public policy reasons.

Section 5.02 - Over the course of the Facilitation process, the parties reviewed, without firm conclusions, a wide range of potential Hamilton sites, as well as looking at sites across North America where the Tiger-Cats’ basic stadium-performance criteria were applied. All Hamilton sites considered were within the urban envelope of the City of Hamilton. A number of Hamilton sites offered promising opportunities or specific advantages. However, most were uncertain or constrained for one or more significant reasons.
Some sites had potential, but could not be conveniently acquired, such as commanding a purchase price that would adversely affect the overall cost envelope for the stadium project. Others were dependent on uncertain and unfinanced 400-series highway infrastructure modifications. Others had uncertain requirements for soil remediation or other environmental factors.

Section 5.03 - At a mature stage in the process, the Facilitator noted that the agreed Terms of Reference called for the parties to examine one or more specific alternatives to the West Harbour site during the course of the Facilitation process. The Facilitator suggested that the most viable approach would be to select and explore a specific option that would be a viable alternative to the West Harbour site, given the timetable for the Pan Am Games and the risk of losing the stadium altogether if the West Harbour site could not proceed in a timely fashion, for whatever reason.

Section 5.04 - The criteria for such an alternative site were agreed to include such considerations as:

(a) Meeting as many as possible of City Council’s public policy goals (fiscal, community redevelopment, economic development);

(b) Not coming at the expense of West Harbour development, but rather contributing to and accelerating the redevelopment of the Hamilton core and waterfront;

(c) Meeting as many as possible of the Tiger-Cats strategic objectives, including the alternative site’s potential to expand the team’s regional market:

i. ready highway access, “surge” capacity of local roadways, substantial and convenient proprietary parking, and access to regional transit;

ii. seating for ~30,000, with capacity for Grey Cup and special event temporary expansion to ~45,000;

iii. the potential to provide increased revenues, including the option of a business model that would integrate team-related revenues, facility-related revenues, and site-related revenues, in order to optimize them all;

iv. prominent visibility for enhanced ‘naming rights’ opportunities (among other visibility benefits), the potential for contracted stadium operation, associated property-development and commercial development opportunities, and so on.
(d) Avoiding the time-consuming uncertainty of land-use and environmental approvals, along with allaying neighbourhood impacts and the potential for associated litigation from opponents of the stadium project; and,

(e) Assembling the requisite land quickly and at a reasonable price (by transfer, option, conditional purchase, or outright purchase), without prejudicing or compromising the City’s West Harbour land-acquisition process or, indeed, its ongoing negotiations with respect to downtown sports and entertainment facilities / district.

Section 5.05 - Potential ‘East Mountain’ stadium complex site:

Following a presentation by officials of Metrolinx and the Ontario Realty Corporation late in the Facilitation process, the parties indicated special interest in the lands located at the intersection of the Red Hill Creek Parkway and the Lincoln Alexander Parkway, at the Mud Street West / Stone Church Road East interchange (‘East Mountain’ site). The site appeared to have the potential to meet the foregoing criteria.

Section 5.06 - For this ‘East Mountain’ option to be considered, there should be an examination of the potential for reducing the City’s anticipated contribution to the capital cost of the stadium facility, in favour of investments being redirected to downtown and waterfront projects. There should also be consideration of the scope for investment by the Tiger-Cats, contingent on securing a greater participation in a project and site that more fully meets their business objectives and avoids the business risks that they projected for with the West Harbour site.

Subject VI. Making the choice on a stadium site

Section 6.01 - It is the recommendation of the Facilitator that the City consider immediately advising the Pan Am Games officials, and the Governments of Ontario and Canada, as follows:

(a) That Hamilton will participate in the Pan Am Games, with a stadium facility that will ultimately accommodate 24,000 to 26,000, at one of two definite locations, with the final location to be selected by City Council by August 31, 2010.

(b) That the City wishes to consult with the Pan Am Games officials about the design of the stadium facilities, to determine the ways in which a sanctioned track for athletics events might be accommodated within a stadium design or phased construction, with a view to producing an outstanding legacy facility for football, soccer and concert events. An ability to accommodate additional temporary seating for 15,000 for future, time-limited special events, such as the Grey Cup, should be part of the stadium design.

Section 6.02 - It is the recommendation of the Facilitator that the City also consider:
(a) Completing the next level of technical analyses on the West Harbour site by August 12, 2010, in order to address to a greater degree the outstanding issues and constraints of the West Harbour site, both for its own due diligence and in an effort to address, if possible, the concerns raised by the Tiger-Cats

(b) Inviting the Tiger-Cats and other affected parties to participate on any steering group overseeing those technical analyses

(c) Also before August 12, 2010, completing a similar range of technical analysis on the alternative site (East Mountain), and also involving the Tiger-Cats in any steering group overseeing those technical analyses

(d) Beginning immediately, involving the Tiger-Cats’ ownership in existing or parallel discussions aimed at exploring the prospects for third-party operation of a stadium complex and / or involvement in related property development (or redevelopment), both at the West Harbour site and at the alternative site

Section 6.03 - It is the recommendation of the Facilitator that the City give consideration to advising Infrastructure Ontario, as follows:

(a) That Infrastructure Ontario should proceed with its RFQ for a Pan Am Games stadium facility in Hamilton, with the parameters indicated, and with the specific site being finalized within ninety days and in any event, well before its RFP being issued.

(b) In developing its RFQ and its RFP, Infrastructure Ontario should also include a discussion with the City, on a procurement model that allows for a melding of the interests of the primary users of the stadium, the operators of the stadium, the builders / financiers of the stadium, and the owners of the stadium complex.

Section 6.04 - It is the recommendation of the Facilitator that the City give immediate consideration to acquiring (by transfer, option, conditional purchase or outright purchase, or some combination thereof) the Ontario Realty Corporation (ORC) lands and related lands, at the previously mentioned ‘East Mountain’ site. The discussions with ORC and the Ministry of Energy and Infrastructure should include consideration of the optimal extent of such a development scheme and land-acquisition, including but not limited to, the stadium property itself.

In taking these actions, the City should also continue with its program of land-acquisition in the West Harbour precinct, as the West Harbour property portfolio will be required for redevelopment purposes irrespective of the stadium decision.

Section 6.05 - It is the recommendation of the Facilitator that the City give immediate consideration to initiating discussions with the Governments of Ontario and Canada and their agencies, with a view to linking its plans for a stadium for the Pan Am Games with:
(a) measures to support and accelerate specific initiatives to develop the Hamilton waterfront and downtown

(b) measures to support the installation of GO Transit regional rail transit stations in the West Harbour / LIUNA area and in the QEW ‘eastern gateway’ vicinity, and refining the City’s urban rapid transit proposals; and,

(c) measures that might be taken by senior levels of government and others, to offset the cost of expanding the seating capacity of the Pan Am Games stadium beyond the requirements of the Pan Am Games (originally suggested as seating for approximately 15,000), to produce an outstanding legacy facility for use by the Hamilton Tiger-Cats, professional soccer, spectator entertainment events and other purposes, serving Hamilton and its regional market.