SUBJECT: Indoor Soccer Facility (CS02096(a)) (City Wide)

RECOMMENDATION:

(a) That staff be directed to prepare a Request for Proposal (RFP) to develop, construct and operate an indoor soccer facility, which would not restrict the proponent from using City-owned property. (Option 4).

(b) That Item “A” respecting the Expressions of Interest for an Indoor Soccer Facility be identified as complete and be removed from the Community Services Committee Outstanding Business List.

Joe-Anne Priel
General Manager
Community Services Department

EXECUTIVE SUMMARY:

In February 2006, staff advertised for Expressions of Interest to develop, construct and operate an indoor soccer facility.

Culture and Recreation staff received Expressions of Interest from four separate groups. Staff have reviewed all four submissions and is recommending that the City move to a call for proposals stage.
BACKGROUND:

In an attempt to address the rapid growth of soccer within the community and to respond to the request for year round facilities, Culture and Recreation staff advertised for Expressions of Interest to develop, construct and operate an indoor soccer facility, in partnership with the City of Hamilton.

The Request for Expressions of Interest was advertised in the newspaper, and previous groups on record were notified and provided with copies of the Expressions of Interest request package. There were 10 packages supplied to groups. Four submissions were received by the deadline of March 16, 2006, from: HOJO Enterprises Limited, Soccerworld Hamilton; BBHI Sports Management Group; Mountain Sports Complex; and, Nustadia Recreation Inc.

ANALYSIS/RATIONALE:

Culture and Recreation staff has reviewed the four submissions of Expressions of Interest. Staff will not be reporting on the specific details of each of the four submissions in order to protect the information, as outlined in our Terms and Conditions of the Expressions of Interest.

All four proponents have submitted a variety of potential partnership proposals. All proponents offer experience in operating sport oriented facilities in partnership with either a municipality or other private groups. The details in some of the proposals would require further discussions with the proponents as they are very high level and do not provide specifics, such as costs or the size of the proposed facilities. Staff have decided that, based on the information provided, there is sufficient interest from the private sector to proceed to the next phase and advertise a Request for Proposal (RFP) to explore a public/private partnership to construct and operate an indoor soccer facility.

Staff is further proposing that a committee of staff be established to develop the Request for Proposal (RFP), establish evaluation criteria for the expected submissions, and to prepare the final report and recommendation to Council. Appendix ‘A’ attached to Report (CS02096(a)), is a preliminary outline for the evaluation criteria that would become enhanced and more clearly defined as the Request for Proposal (RFP) document is prepared.

ALTERNATIVES FOR CONSIDERATION:

The development of a formal Request for Proposal (RFP) would enable Council to make a better decision whether or not to enter into a partnership to construct and operate an indoor soccer facility. The Expressions of Interest proposals received have presented some interesting options to consider, and through a more formal Request for Proposal (RFP) process, Council would be able to structure the terms and conditions of a potential partnership with the successful proponent.
The options for Council’s consideration in regard to Report CS02096(a) are listed below.

**Option 1 (not recommended)**

To advertise for a Request for Proposal (RFP) to enter into an operation of an existing soccer facility, privately owned, that would see the City become a part-owner and/or supply operating dollars to the proponent.

Staff is not recommending this option because it is believed that this style of partnership does not protect the City’s interest and may not fully satisfy the local soccer communities’ needs.

**Option 2 (not recommended)**

To explore the use of a current City-owned facility, such as an arena, which has been identified to be decommissioned, and turn it into a soccer facility.

Staff is not recommending this option for two reasons: (1) Such a facility is not currently available and may not be available for five to ten years and the soccer community would continue to pressure staff to act sooner; and, (2) The location of such a facility would become predetermined and there may be limitations to that facility that may impact the success of a partnership.

**Option 3 (status quo)**

Not to enter into a partnership to construct an indoor facility and continue to provide outdoor soccer facilities only.

Staff is not recommending this option as it would not address the needs for indoor soccer space during winter months and would continue to frustrate the soccer communities.

**Option 4 (recommended)**

To call a Request for Proposal (RFP) to develop, construct and operate an indoor soccer facility, which would not restrict the proponent from using City-owned property. The RFP would include a design/build/operate component which would allow the private partner to identify an appropriate location to best meet the needs of the community.

Staff is recommending this option which minimizes the up-front financial contribution by the City including the provision of land, and allow the proposed partners an opportunity to explore the best possible locations.
**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Financial**

At this stage of the process, the only costs associated with the Request for Proposal (RFP) call would be the advertising and administrative costs associated with preparing the proposal. Through the Request for Proposal (RFP) process, future financial commitment would be identified in each of the proposals received.

**Staffing**

The commitment and time of assigned staff from Finance, Purchasing, Legal, Real Estate, Public Works, and Community Services to develop the Request for Proposal (RFP) and then evaluate the submissions.

**Legal**

There are no legal implications at this time, however, input from Legal on the Request for Proposal (RFP) is expected.

**POLICIES AFFECTING PROPOSAL:**

Policies affecting the proposal are the Purchasing Policy and the policy for Alternative Service Delivery.

**RELEVANT CONSULTATION:**

Staff from various departments will be asked to sit on the Evaluation Committee to ensure consultation on the process is maximized. At this time the Committee has not been set, but the intent is to include staff from Finance, Legal, Purchasing, Real Estate, Capital Planning & Implementation and Culture and Recreation.

**CITY STRATEGIC COMMITMENT:**

Moving towards a partnership proposal to operate an Indoor Soccer Facility, supports the Triple Bottom Line approach to future planning. The Community, who have made requests for indoor facilities in the past, would benefit from increased soccer facilities. Moving to indoor facilities provides various opportunities to utilize existing structures or land that would protect the environment and retain existing green space. Entering into a public/private partnership would minimize the cost to the tax-base to develop such a facility.

By evaluating the “**Triple Bottom Line**”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.
Community Well-Being is enhanced. ☑ Yes ☐ No
Opportunities for physical activity are supported and enhanced.
Providing year-round opportunities for youth to play soccer.

Environmental Well-Being is enhanced. ☑ Yes ☐ No
Consumption of all natural resources is reduced.
The opportunity to use existing buildings, brown-field sites, and not use green-space is a potential.

Economic Well-Being is enhanced. ☑ Yes ☐ No
The public/private partnership goal is to minimize the cost to the tax-base.

Does the option you are recommending create value across all three bottom lines? ☑ Yes ☐ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☑ Yes ☐ No
# EVALUATION CRITERIA

## PROJECT TEAM

<table>
<thead>
<tr>
<th><strong>CORPORATE OVERVIEW</strong></th>
<th><strong>MAX. SCORE</strong></th>
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<tbody>
<tr>
<td>Indoor soccer facility operating capabilities</td>
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<tr>
<td>Soccer development capabilities</td>
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<td>Demonstrated sound business practices</td>
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<th><strong>CORPORATE QUALIFICATIONS</strong></th>
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<tr>
<td>Relevant partnership experience</td>
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<tr>
<td>Relevant soccer facility experience</td>
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<th><strong>INDIVIDUAL QUALIFICATIONS</strong></th>
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<tr>
<td>Demonstrated capabilities of team members</td>
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<tr>
<td>Involvement of team members</td>
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<td>Demonstrated capabilities of sub-contractors</td>
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<td>Involvement of sub-contractors</td>
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## CONCEPT AND PROPOSED RELATIONSHIP

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- Clearly defined roles and responsibilities
- Compliance with City’s values and project objectives
- Demonstrated understanding of local soccer issues
- Demonstrated understanding of local market for indoor soccer
- Feasibility Analysis
- Risk Management Plan

## DEVELOPMENT PLAN

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- Realistic development plan for indoor soccer facility
- Capital cost estimates (with rationale)
- Realistic development schedule
BUSINESS AND OPERATION PLAN

- Operating Plan
- Operating Structure
- Marketing Plan
- Rates and Fees Structure
- Preventative and Ongoing Maintenance Plan

FINANCIAL PROPOSAL

- Proposed contribution from City
- Rationalization of financial assumptions
- Realistic 10 year performance
- Financial benefits to City
- Capital Re-Investment Strategy
- Capital Development Financing Plan

TOTAL 100

(Further explanation and clarification of the Evaluation Criteria will be done as part of the development of the Request for Proposals.)