2015 Pan Am Games Velodrome Update:
August 29, 2011
General Issues Committee
Purpose of Today’s Presentation

• Provide General Issues Committee with an overview of Report CM10005(b)

• Obtain approval and Council direction on recommendations in Report CM10005(b)

• Question and Answer
Presenters and Presentation Content

**Chris Murray**
Overview of the Staff Report

**Rob MacIsaac**
Mohawk College and City of Hamilton Partnership

**Rob Rossini**
Financial Overview
Overview of Staff Report
Key Requests of Report CM10005 (b)

(a) That Council rescind their decision to have the velodrome constructed at the West Harbour site.

(b) That Council direct staff to cease the active expropriations at the West Harbour site.

(c) That Mohawk College be selected as the site for the construction of a permanent velodrome and that:
   - City fund 44% of construction costs and 100% of land acquisition and site development costs;
   - conditional on receiving at least $500k annually from the Pan Am Legacy Fund; and
   - staff be directed to prepare any and all necessary agreements

OR

•(c) That Council withdraws its participation and all funding commitments for a permanent Pan Am Velodrome project
Historical Background

2009
• Council committed to fund 44% of an $11.4M (2008 dollars) velodrome.
  • City share = $5M.

August 2010
• Council received the Velodrome Business Plan.
  • Hard construction cost estimate = $21.5M.
  • No soft costs or any site servicing costs included.
  • Review of other recent velodrome projects:
    • cost estimates ranged from $20M to $60M
    • average construction cost of $28M.

2011
• Staff, TO 2015 and IO have worked together to refine the velodrome program and cost estimates.
  • Velodrome cost estimate is now $35M to $45M (2014 dollars).
  • Toronto 2015 has increased its contribution up to $25M.
Description of Velodrome Project

Permanent, international standard velodrome which includes:
• 250 metre UCI sanctioned cycling track
• 1500 permanent seats
• capacity for an additional 750 temporary seats
• multi-purpose infield for recreation activities
• change rooms
• administrative office
• meeting space
• storage
• National Cycling Centre Hamilton (NCCH) training lab
• Future home of annual national and provincial track championships and international events.
• Basic design similar to Carson City LA Velodrome
Site Selection Process

June 2010
• Sierra Planning and Management retained to develop a Business Plan for the Velodrome

September 2010
• Velodrome Advisory Committee established.
• Committee included staff, community stakeholders, cycling groups and four Councillors.
• To “provide advice, input and support for indoor track cycling through the development of a permanent velodrome in Hamilton as part of the 2015 Pan Am initiative and legacy”.
• To “review and provide input on the site location for the velodrome”.
Sites reviewed by Velodrome Advisory Committee
Site Selection Process Continued

2010/11
• Long list of 23 sites was developed (Appendix B)
• Sites were pre-screened based on size, current planning and regulatory approvals required, and ease of acquiring the land.
• List of sites reduced to 15.
• Further review reduced list to 12 potential sites.

28 criteria were used to evaluate the 12 sites.
• Site Characteristics and Location;
• Transportation;
• Costs and Ease of Acquiring Land;
• Urban Context/Design Opportunities; and
• Economic and Property Impacts.

This evaluation identified 4 sites as “leaders”.

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Site Selection Process Continued

2010/11 Continued

The “leaders” were then ranked as follows:
• Mohawk Sports Park;
• Olympic Sports Park;
• T. B. McQuesten Park; and
• West Harbour.

January 7, 2011
The Velodrome Advisory Committee collectively endorsed Mohawk Sports Park as the preferred velodrome site, with Olympic Sports Park and T. B. McQuesten Park as alternative options for Council to consider.
Site Selection Process Continued

During the Evaluation Process
Mohawk College approached the City about partnership opportunities, locating the velodrome and their new recreation centre together on the college campus.

May 26, 2011
The Velodrome Advisory Committee unanimously passed a new motion, “The Hamilton Velodrome Advisory Committee supports the direction to partner with Mohawk College as the preferred site for the Hamilton Velodrome”.

2015 Pan Am Games
Velodrome Update
Rob Maclsaac

Mohawk College and City of Hamilton Partnership
Financial Overview
### Table 1 - CAPITAL COSTS (2014 $s)

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Velodrome Construction</td>
<td>$35M - $45M</td>
</tr>
<tr>
<td>Velodrome Site Preparation costs</td>
<td>$1.5M</td>
</tr>
<tr>
<td>Velodrome Site Relocation, Development and Parking</td>
<td>$3.0M</td>
</tr>
<tr>
<td>Land Acquisition (Lease)</td>
<td>0</td>
</tr>
<tr>
<td><strong>Subtotal Velodrome</strong></td>
<td><strong>$39.5M - $49.5M</strong></td>
</tr>
<tr>
<td>Mohawk Rec Facility (incl. site development)</td>
<td>$15M</td>
</tr>
<tr>
<td><strong>Total Development</strong></td>
<td><strong>$54.5M - $64.5M</strong></td>
</tr>
</tbody>
</table>
City of Hamilton Cost Shares (2014 $s)

Velodrome Construction @ 44% $15.4M - $19.8M
Velodrome Site Preparation Costs $1.5M @ 100%
Velodrome Site Relocation, Development and Parking @ 100% $3.0M
Land Acquisition (Lease) 0

Total Velodrome $19.9M - $24.3M
Table 2 – SOURCES OF FUNDS

<table>
<thead>
<tr>
<th>Committed Funds:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Toronto 2015 @ 56%</td>
<td>$19.6M - $25.2M</td>
</tr>
<tr>
<td>City Of Hamilton</td>
<td>$5M</td>
</tr>
<tr>
<td>Mohawk Students Association</td>
<td>$17M</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td><strong>$41.6M - $47.2M</strong></td>
</tr>
<tr>
<td><strong>Shortfall:</strong></td>
<td><strong>$13M - $17.3M</strong></td>
</tr>
</tbody>
</table>

- Mohawk contributing $2m to Velodrome, plus pays 100% of its Recreation facility
- City cost share of $19.9 m to $24.3 m
- Realistically, if Council wants project to proceed, City must contribute at least another $5m
### Table 3 – POTENTIAL SOURCES FOR FUNDING SHORTFALL

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Hamilton – Additional Funds</td>
<td>$5M</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$3m - $5M</td>
</tr>
<tr>
<td>Naming Rights</td>
<td>$1M - $3M</td>
</tr>
<tr>
<td>Other</td>
<td>unknown</td>
</tr>
<tr>
<td><strong>Shortfall if City Provides</strong></td>
<td><strong>$7.9m - $12.3m</strong></td>
</tr>
</tbody>
</table>

- Debt Finance = $482,000 annual repayment; 0.1% tax impact
- Mohawk, City & TO2015 work together to close funding gap
- City must accept this risk, if wants to proceed with project
Table 4 – PROJECTED ANNUAL NET OPERATING POSITION (Appendix F)

<table>
<thead>
<tr>
<th></th>
<th>Low</th>
<th>Mid</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Shortfall From Operations</td>
<td>- $42,911</td>
<td>- $83,993</td>
<td>- $273,824</td>
</tr>
<tr>
<td>Capital Reserve @ 1.0% per Year on $30m</td>
<td>- $300,000</td>
<td>- $300,000</td>
<td></td>
</tr>
<tr>
<td>Capital Reserve @ 1.5% per Year on $30m</td>
<td></td>
<td></td>
<td>- $450,000</td>
</tr>
<tr>
<td>Total</td>
<td>- $342,911</td>
<td>- $383,993</td>
<td>- $723,824</td>
</tr>
</tbody>
</table>

- Velodrome will operate at projected deficit
- City must accept this risk
- Requires annual support from the $70m Pan Am Legacy Fund
- If Council wants project to proceed, should be conditional on at least $500,000 per year from Pan Am Legacy Fund
Summary & Potential Risks, if proceed:

- Must provide a firm commitment so IO RFP can be released (can not pull out after this time). Deadline is Sept. 15, 2011.
- Confirm commitment to fund 44% of construction costs & 100% of land and site costs (ie $19.9m to $24.3m)
- Realistically, need to provide at least additional $5 million in City funds (ie $10m total)
- Accept risk of funding shortfall, estimated at about $8 million to $12.5 million
- Work with Mohawk and IO on closing funding gap – fund raising, senior levels of gov’t
- Risk of Operating Loss – needs Legacy Funds
Question and Answer:

• Thank you