

CITY OF HAMILTON

OFFICE OF THE CITY MANAGER

TO: Mayor and Members Committee of the Whole	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: September 29, 2010	
SUBJECT/REPORT NO: International Event Opportunities – 2015 Pan Am Games Update (CM09006(i)) (City Wide)	
SUBMITTED BY: Chris Murray City Manager	PREPARED BY: Chris Phillips (905) 546-2424 ext 5304 Art Zuidema (905) 546-2424 ext 5639
SIGNATURE:	

RECOMMENDATION:

That Report CM09006(i) respecting International Event Opportunities – 2015 Pan Am Games Update be received.

EXECUTIVE SUMMARY

This report has been prepared further to Council's approval of item 7, and more specifically recommendation (e), of the Committee of the Whole Report 10-024 (September 14, 2010) respecting Alternative Sites for Stadium Location for 2015 Pan Am Games which reads as follows:

- (a) *That the CP Rail yard at Aberdeen and Longwood be forwarded to Hostco as the venue location, agreed to by the City of Hamilton and the Hamilton Tiger-Cats, for the new Pan Am Stadium, subject to Items (b) and (c) below.*
- (b) *That the Province of Ontario and the Federal Government, including P3 Canada, be formally requested to provide sufficient additional funding to expand the current proposed 15,000 seat Pan Am Stadium to a 25,000 seat facility as per CFL size requirements, international high performance sport standards and*

to meet additional land requirements and that the West Harbour development funding be included;

- (c) *That staff be directed to:
 - (i) *engage in negotiations with property owners*
 - (ii) *complete Stadium use negotiations and funding arrangements with the Hamilton Tiger-Cats by September 30, 2010;**
- (d) *That the City of Hamilton request the Ministry of Transportation to review traffic impacts on Aberdeen Avenue and request a review of the potential to widen the exit and entrance by adding two vehicle lanes in each direction and review the Main Street West interchange and Longwood Road;*
- (e) *That on or before September 30, 2010, staff report back on the Provincial and Federal Governments' willingness to fund, and financial commitment from the Tiger-Cats;*
- (f) *That Staff report back to Committee of the Whole and Council by October 12, 2010.*

The purpose of Report CM09006(i) is to report back to Committee of the Whole and Council in respect of item (e) of the foregoing Council direction.

Since receiving the direction of Council, City Staff have met and communicated with representatives of the Pan Am Games Host Corporation (hereinafter referenced as "Hostco"), representatives of Infrastructure Ontario, representatives of the Hamilton Tiger-Cats, representatives of the Province of Ontario (hereinafter referenced as the Province), and representatives of CP Rail. Direct contact with representatives of the Government of Canada has occurred on a limited basis as at the time of the writing of this report.

Representatives from the Province have indicated a willingness to partner with the City for an additional level of funding for stadium size and land acquisition beyond their existing Pan Am commitment.

Representatives from the Tiger-Cats have indicated a willingness to partner with the City by purchasing part of the CP property for development purposes and to operate the stadium.

An update on Federal commitments, beyond their existing Pan Am commitment, may be available when this report is received.

FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial:

Once the funding gap between that which has currently been committed by various levels of government and the additional amount which would be required to construct a stadium suitable for CFL and Grey Cup standards has been determined, the particulars of additional funding commitments can be finalized.

As discussions are still ongoing as of the writing of this report, staff will be providing a presentation on September 29, 2010 concerning financial impacts.

While the exact amount of funding gap has not been identified with sufficient particularity to warrant final negotiations, an order of magnitude has been estimated for the purpose of initial discussions.

Staffing:

Staff and appropriate consulting support have been engaged in order to provide Council with a full report in accordance with Council's most recent and previous direction.

Legal:

Assuming that an arrangement can be achieved to bridge the funding gap, Legal resources will be mobilized in order to finalize commitments.

HISTORICAL BACKGROUND

In previous reports, chronologies have been provided with respect to prior Pan Am Games reports and milestones.

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

RELEVANT CONSULTATION

The Hamilton Tiger-Cats Organization
Hostco representatives
Infrastructure Ontario representatives
Representatives of the Province of Ontario
Representatives of the Government of Canada
CP Rail representatives
City Staff

ANALYSIS / RATIONALE FOR RECOMMENDATION

Communications with the Province

Representatives from the Province have indicated a willingness to partner with the City for an additional level of funding for stadium size and land acquisition beyond their existing Pan Am commitment.

Communications with the Tiger-Cats

The Tiger-Cats have indicated a willingness to purchase part of the CP property provided that the lands purchased would be available for development purposes. The lands viewed in this regard would not include the stadium area or parking areas for the stadium.

The Tiger-Cats have offered to operate the stadium and make it available for public use in return for a yearly stipend to cover additional administrative costs.

The Tiger-Cats propose that any stadium naming rights and ticket surcharge revenues be utilized to offset stadium operation costs.

Communications with the Government of Canada

An update on Federal commitments, beyond their existing Pan Am commitment, may be available when this report is received.

Communications with Infrastructure Ontario and Hostco

Since Council's direction earlier this month Infrastructure Ontario and Hostco have participated in a number of meetings and telephone calls with City staff and the Tiger-Cats.

Correspondence from Ian Troop, CEO, Toronto 2015 is attached to this report as Appendix A. Infrastructure Ontario and Hostco have been apprised of the status of staff meetings and negotiations on this file.

Communications with CP Rail

A number of meetings have been held between staff and CP Rail real estate representatives. CP Rail representatives have indicated that the price of the land will include a price per acre as well as allowances for the relocation of tenants. City staff have commissioned an independent appraiser to assist in providing the City with an estimate as to the value of the CP lands. The relocation estimates provided by CP Rail are significant. CP Rail have indicated that more accurate relocation costs could be provided if the City was to pay for the retention of a consulting engineer, at an estimated cost of \$100,000.

ALTERNATIVES FOR CONSIDERATION:

N/A

CORPORATE STRATEGIC PLAN

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

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

Appendix A – Letter from Ian Troop Dated September 23, 2010

CP/AZ:db
Attach. (1)



Ian Troop
Chief Executive Officer

Toronto 2015
Pan/Parapan American Games

September 23, 2010

Chris Murray
City Manager, City of Hamilton
71 Main St. West
Hamilton, ON L8P 4Y5

RE: Toronto 2015 Pan/Parapan American Games [TO15]
Hamilton – Pan American Soccer Stadium [PASS]

Dear Chris,

As a follow up to your presentation to Hamilton Council and direction received as of Tuesday September 14, 2010, while TO15 is encouraged by the progress that you are making, we are tempered by the realities of delivering the Pan Am Soccer Stadium in time to meet our commitments in a cost effective and timely manner.

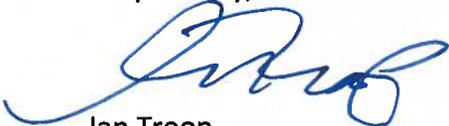
As such, we request the following information and confirmations so that we can clearly establish our ability to deliver on our commitments by **September 29, 2010**.

1. **Site Selection** – the City of Hamilton should declare and select its site for construction of the PASS.
 2. **If the site is not currently owned by the City of Hamilton, the City should provide a copy of a Letter of Intent to Sell** duly executed by both the City and the Seller stating that the Seller is willing and able to sell the Land, on terms acceptable to both parties and that such sale and land closing will not impede on the City's ability to deliver the site to TO15 or its agent(s)/contractor in a remediated, ready to build condition by no later than April 1, 2012.
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3. **If the site contains leasehold interests or other impediments to development, that the City will, at their expense remove such leasehold interests or other impediments in a timely manner** such that they will not impeded the City's ability to deliver the site to TO15 or its agent(s)/contractor in a remediated ready to build condition by no later than April 1, 2012.
4. **The City should declare that it is fully responsible for any and all remediation costs** including, but not limited to, testing, EA process, remediation and or construction impact costs as a result of risk assessment or other lingering effects of past uses and conditions. Similarly, the City should declare that the current environmental condition of the selected site and the remediation thereof will not delay or otherwise impact the City's ability to deliver the site in a remediated, ready to build condition by no later than April 1, 2012.
5. **We expect the Tiger-Cats should execute a document stating that they are in agreement with the site selected by the City.**
6. **The City should provide a document that outlines a risk assessment relative to the selected site** to determine that said risks are not barriers to proceeding with the development of the project. These could include: local community opposition to the project, land sales transaction certainty, cost variable certainty [contingencies], environmental remediation, enabling works necessary to deliver a viable venue and critically schedule certainty as it relates to the Pan Am Games.
7. **The City should prepare a document that provides assurance to TO15 that the funding shortfall between the TO15 15,000 seat Pan Am quality venue and the 25,000+ seat CFL quality venue has been addressed and source of funds identified.** Land purchase and remediation cost source of funds should also be identified.

We look forward to the City of Hamilton's continued participation on a critical piece of our Games footprint.

Respectfully,



Ian Troop,

CEO, Toronto 2015