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

COMMITTEE DATE: September 14, 2010  

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

SUBMITTED BY:  
Chris Murray  
City Manager  

PREPARED BY:  
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SIGNATURE:  

RECOMMENDATION:  

(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 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.  

(c) That staff be directed to:  

   (i) complete land negotiations with property owners  
   (ii) complete Stadium use negotiations and funding arrangements with the Hamilton Tiger-Cats.  

(d) That Staff report back to Committee of the Whole and Council by October 12, 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

This report has been prepared further to Council's approval of item 2 of the Committee of the Whole Report 10-023 (August 31, 2010) respecting Alternative Sites for Stadium Location for 2015 Pan Am Games which reads as follows:

Whereas the main "wins" for the 2015 Pan Am Games for the City of Hamilton can be summarized as follows:

(i) Construction of a New Stadium;
(ii) Hosting major Pan Am Games events;
(iii) Retaining a financially viable and sustainable Hamilton Tiger-Cats Football Club and the City of Hamilton for the long term within the City of Hamilton; and
(iv) Redevelopment of the West Harbourfront site and precinct.

Therefore, be it resolved:

(a) That the City Manager be directed to discuss and negotiate with the Hamilton Tiger-Cats Football Club their participation in a new Pan Am Stadium to be constructed within the City of Hamilton and that these discussions include the Aberdeen/Longwood Road site or other mutually agreeable alternate site(s).

(b) That the City of Hamilton in partnership with the Hamilton Tiger-Cats Football Club discuss and explore with the Federal and Provincial Governments the additional financial assistance required for the construction of a new Pan Am Stadium that also meets current CFL size requirements, facility amenities and standards.

(c) That the City Manager be directed to simultaneously discuss with the provincial and federal governments and other public and private interests how to facilitate the imminent development of the West Harbour precinct.

(d) That the City Manager be directed to discuss with HOSTCO, Infrastructure Ontario and the Province of Ontario ways of accelerating stadium construction so that it is completed in time for the 2013 CFL season.

(e) That the City Manager report back to Committee of the Whole and Council by September 15, 2010.
The purpose of Report CM09006(h) is to report back to Committee of the Whole and Council in respect 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 McMaster University and McMaster Innovation Park (MIP), representatives of the Hamilton Tiger-Cats, representatives of the Province of Ontario and the Government of Canada, and representatives of stakeholders with property interests in the Longwood Aberdeen property precinct (hereinafter referenced as “property stakeholders”).

While various options were reviewed with respect to the McMaster Innovation Park area with MIP, those options proved to present a number of challenges in regard to land area requirements, stadium configuration, and the potential for negative impacts on the success of McMaster Innovation Park. MIP had significant reservations about the introduction of a stadium to the Park as a fundamental shift in park development direction and resulting immediate challenges in respect of current plans for research initiatives.

The CP Aberdeen rail yard site, previously not tabled, was put forward since Council’s most recent direction to staff. Based on a preliminary, high level analysis, the CP site appears to meet the needs of the City, the Tiger-Cats, as well as maintain the integrity of McMaster Innovation Park. While the site is larger than that required for a stadium facility, excess lands might be developed for purposes in keeping with the development of McMaster Innovation Park and a stadium. The City recently purchased another CP property currently located in a proximate location to the McMaster Innovation Park. Further details concerning the potential acquisition of the CP site and direction from the Committee of the Whole respecting same are proposed through an in camera session.

Since Council’s most recent direction to staff, negotiations have concentrated on arriving at a mutually acceptable site. There has not been sufficient time to engage Provincial and Federal Government representatives and the Tiger-Cats on the particulars of financial arrangements for a particular site or the redevelopment opportunities for the West Harbour area. A funding gap remains to build an enhanced stadium beyond the modestly appointed 15,000 seat stadium which was included in the Pan Am Bid Book and additional land requirements. Already-committed public funding from the City, the Province and Federal Government will fund the original stadium concept. A larger stadium (25,000 seats) with enhanced amenities will require additional funding that has not yet been secured. Staff anticipate that as financial negotiations proceed, details with respect to building a larger stadium, the cost of a CFL/international high performance standard stadium, the cost of land acquisition, and the cost of an enhanced velodrome will be fine tuned. At this point in time, it is too early to determine whether the City will be called upon to make a larger financial commitment than that at present. It appears that the current funding gap is significant.
In the event that Council endorses the CP Aberdeen railyard for stadium purposes, staff would commence negotiations to secure funding for a 25,000 person stadium.

The timing of stadium construction will be controlled by Hostco and their confirmed construction agency, Infrastructure Ontario.

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS**

**Financial:**

The City has previously committed $60 million from the Hamilton Future Fund towards Hamilton’s participation in the Pan Am Games. The $60 million is to be divided between the capital costs for the Stadium ($45 million) and velodrome ($5 million) plus $10 million for land acquisition. Hostco will provide a portion, 56% of capital funding for a Pan Am quality 15,000 seat stadium that was costed originally at $102 million (in 2008 dollars). Those funds would come from senior levels of government.

No funding sources have been secured to build the larger 25,000 seat facility as per CFL size requirements, international high performance sport standards and to meet additional land requirements and Canadian Football League quality stadium.

Staff anticipate that as financial negotiations proceed, details with respect to building a larger stadium, the cost of a CFL/international high performance standard stadium, the cost of land acquisition, and the cost of an enhanced velodrome will be fine tuned. At this point in time, it is too early to determine whether the City will be called upon to make a larger financial commitment than that at present. It appears that the current funding gap is significant.

**Legal:**

N/A

**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
McMaster University representatives
McMaster Innovation Park representatives
Hostco representatives
Infrastructure Ontario representatives
Representatives of the Province of Ontario
Representatives of the Government of Canada
Property stakeholders
City Staff

ANALYSIS / RATIONALE FOR RECOMMENDATION

Hostco and Infrastructure Ontario

Staff had detailed discussions with both Hostco and their identified construction agency for all legacy venues, Infrastructure Ontario (IO), regarding site requirements, size of stadium, the IO defined design-build-finance-maintain (DBFM) process, as well as the City’s responsibilities in the process.

Based on these discussions, there are several key elements embedded in the partnership with Toronto 2015 that have been communicated, and for the purpose of the Council’s decision making process, should be seen as non-negotiable. They are as follows:

1. Infrastructure Ontario will be the construction agency for all legacy venues.

   IO is the construction agency for all legacy venues for the Toronto 2015, and as such the Stadium in Hamilton is one of several venues they will be responsible for. Although identified in all previous staff reports on the 2015 Pan Am Games, staff can confirm that Toronto 2015 has re-confirmed this position.

2. Infrastructure Ontario’s DBFM model will be used in the delivery of these venues.

   As the identified construction agency for all legacy venues, IO will be using their established “DBFM” model to deliver the venues "on-time-on-budget". As such, IO is looking for ways in which it can gain economies of scale by the bundling of several venue projects together.
3. Infrastructure Ontario’s DBFM model has a specified methodology that includes a process and set timelines, of which the City of Hamilton must commit to and input into.

IO’s DBFM model has set requirements that include the establishment of a functional program for the venue, the retaining of a planning-design-compliance (PDC) consultant, a “Request for Qualifications (RFQ) period, a Request-for-Proposal (RFP) period, followed by the actual design and construction period. Overall, this process is designed to start in October 2010 with a final site-handover in Q.2 of 2014. Although several parts of this process can happen simultaneously, IO is very concerned that any further delays in their venue planning will jeopardize their delivery program.

4. Based on this DBFM model, the City of Hamilton must choose a site, have a “Memorandum of Understanding” (MOU) with the legacy tenant, and firmly commit to the size, scope, and financing for the Stadium by the pre-determined deadline of October 2010.

The IO model and process must start with a confirmed site. But equally important, IO needs to work with the City and our legacy tenant to determine the size, scope, and overall after-use requirements for the venue. As it relates to Hamilton, IO has expressed that the deadline for them to accommodate a 25,000 seat stadium would be October 2010. Lastly, IO has expressed that the City of Hamilton, Toronto 2015, the Province of Ontario, Government of Canada, and all other partners, must outline the financial commitments to the project by this deadline as well.

**The Hamilton Tiger-Cats**

Negotiations with the Hamilton Tiger-Cats were positive.

While the McMaster Innovation Park area was acceptable to the Tiger-Cats, MIP and McMaster were concerned with a stadium proposal and sufficient time was not available to work to an arrangement that would be suitable to all parties and stakeholders.

A number of other sites that were considered during the facilitation process were reviewed between the City and the Tiger-Cats. Further details on these sites will be referenced during the presentation to the Committee of the Whole.

City Staff and the Tiger-Cats have begun to discuss Operating Agreement Principles that will be further developed in time for the next report to Committee of the Whole and Council.
McMaster University and MIP

As per Council direction, staff engaged McMaster and the MIP to determine the feasibility and potential options for the Pan Am Stadium within the lands bordered by Aberdeen/Longwood Road/Highway 403. Several meetings took place between senior City staff with officials within McMaster and MIP.

As the dialogue progressed, several conclusions were made:

1. The lands west of Longwood Road were not ideally configured for the desired stadium.
2. A stadium within the MIP and the broader innovation district does not easily fit the intended vision for the area.
3. The assembly and re-configuration of lands along Longwood would dramatically affect the current plans for MIP and at least two projects already committed to.
4. McMaster continues to be committed to Hamilton and the City and looks forward to future opportunities for partnership and collaboration.

All parties agree that although there was a willingness to continue to discuss the future of MIP, it became obvious that other options needed to be considered and that the CP land could potentially offer more advantages and should receive further attention from the City.

West Harbour

Notwithstanding Council’s most recent direction to staff with respect to discussing how the lands in the west harbour precinct might be imminently developed, negotiations have primarily concentrated on determining a mutually agreeable site for the Stadium. Additional time and additional reporting in regard to funding an end use for the west harbour precinct lands will be required.

**ALTERNATIVES FOR CONSIDERATION:**

Council directed staff to negotiate with the Tiger-Cats in respect of the Aberdeen/Longwood Road site or other mutually agreeable alternate site(s).

While the MIP site was acceptable to the Tiger-Cats, MIP were concerned with a stadium proposal and sufficient time was not available to work to an arrangement that would be suitable to all parties and stakeholders.
A number of other sites that were considered during the facilitation process were reviewed as between the City and the Tiger-Cats.

**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**

Appendix A: West Hamilton Industrial Area Map

CP/AZ:db
Attach. (1)
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
GIS - PLANNING & ANALYSIS

West Hamilton Industrial District
Study Site Areas

Although the information displayed in this map has been captured as accurately as possible, some errors may be present due to insufficient or outdated information.

For further information, please contact the GIS - Planning and Analysis Section at 905-546-2424 or by email: GIS-Planning&Analysis@hamilton.ca

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Legend
- Road
- West Hamilton Industrial District Study Sites
- Parcel Fabric

West Hamilton Industrial District Study Site Areas

Date: September 1, 2010

Appendix A to Report CM09006(h)