



To: General Purposes Committee

Date: January 13, 2012

From: Greg Scott, P. Eng., LEED A.P.
Director, Project Development

File: 06-2050-20-ROO/Vol
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Re: **Richmond Olympic Oval- Legacy Conversion Update**

Staff Recommendation

That the adjustment of the remaining legacy conversion projects and funding as outlined in the report "Richmond Olympic Oval- Legacy Conversion Update" dated January 13, 2012, prepared by the Director of Project Development, be approved.


Greg Scott, P. Eng., LEED A.P.
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FOR ORIGINATING DEPARTMENT USE ONLY		
CONCURRENCE OF GENERAL MANAGER 		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
REVIEWED BY CAO	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

Staff Report

Origin

In a report to Council, dated November 25, 2010, City Council resolved *“that the adjustment of project priorities and funding as outlined in the staff report title “Richmond Olympic Oval Conversion to Community Legacy Mode – Adjustment of priorities” dated November 25, 2010 by the Director, Project Development, be approved. R10/20-14.”*

This report is to provide a status update and to recommend adjustments to the Richmond Olympic Oval program based on learning’s during the first full fiscal year of Oval Legacy operation and through the completion of other Legacy Conversion projects. Council’s direction has been implemented in conjunction with one of Councils term goals: *“The successful conversion of the Oval to post-games use”*.

Background

Many of the identified projects previously approved by Council are complete or nearing completion and are being delivered within the Legacy Conversion budget.

The table below provides a status update and an estimated delivery date based on the City Council approved list of items.

As presented to City Council in the November 25, 2010 report	Item Status
Item	
Legacy Suite upgrades - new décor, wall coverings	Completed
Sport Surface Coverings	Completed
Parking infrastructure	Completed
Climbing wall. Expanded scope: Increased scale and capacity after in-depth review of market needs and consumer demand.	Construction Start: January 7, 2012 Target Completion: Feb 28, 2012
Display “The Richmond Olympic Story”. Increase in scope based on Olympic program review and best practices. Includes ROO-Look- Olympians/Art and graphics throughout the facility - corridors and meeting rooms	Preliminary best practices research underway. A report is being compiled for approval by the ROOC Board and Council, as indicated in an earlier report.
Retractable ‘bucket-style’ seats for events (1000 seats)	research continuing
Two Additional Team Rooms	Target completion Jan.16. 2012.

Projects Placed on Hold:

At the request of staff, City Council placed three projects on hold until further assessment could be completed by staff to assess the scope of work and need of the Program or service. To date, staff have reviewed the scope of the first project, the batting cages for softball, baseball and cricket and have determined that golf should be added to the scope of work and cricket be

removed. In addition, the estimated budget for this project can be reduced from the \$175k of approved funding to \$100k.

The remaining two projects which include, the Specialized play space and executive locker rooms will be reviewed in 2012 and a determination will be made as to whether to proceed or not.

Projects Placed on Hold	
As presented to City Council in the November 25, 2010 report	Status
Item	
Specialized play space for children aimed at increasing physical activity	Not started
Batting cages for Softball, Baseball and Cricket	The scope of this work has been changed to include golf and does not include cricket. It will be completed by April 2012
Completing Executive Locker Rooms	Not started

Analysis

The ROOC has determined the presence of a permanent cafe at the Oval is a necessary component. Oval regular members and various sport league participants desire a gathering place to discuss the highlights of their games and our members want to enjoy a healthy meal or snack before or after their activity at the Oval. Parents and children participating at the Oval also require food and beverage to accommodate their busy schedules. The addition of a permanent cafe will complete the Oval experience.

As is the case with most facilities of this nature and use, the City always expected to provide food and beverage service in the Oval. During the Oval's early efforts to seek tenants for other general uses, the opportunity arose to sign a long term lease with a food and beverage operator. A signed lease and deposit were submitted by a major operator whose multi-location program in the Oval included a sports bar, cafe and kiosk. Costs, estimated at over \$1.1 million, were the operator's responsibility. Had such an opportunity not arisen, the Oval would have brought its own plan forward as part of the Legacy Conversion. Quality food service is essential to the Oval's success.

The operator was unable to achieve the plan and abandoned the lease and forfeited the deposit of approximately \$40,000. Oval staff and its leasing agent approached other operators but none wished to take on the capital investment. In the interests of serving the users, the Oval has returned to the original vision and reduced the grand program of the failed operator, to include only a basic café operation at approximately 50% of the capital cost for the initial operator's plan.

Similar to other civic facilities such as City Hall, Richmond Ice Centre, and the Library Cultural Centre, the Oval will engage an operator and the City will complete the improvements to an appropriate standard. A competitive lease has been negotiated which will take effect when the premises are completed. In order to provide food service, to a standard aligned with the Oval, it is necessary for the City to construct and equip a cafe on the Ground Level and a kiosk on the

Activity Level that will service the clientele. It should be noted that this has been the model in other city properties, such as these identified above where food service is required.

To fund this amenity from the Legacy Conversion budget, the ROOC would recommend a change in the scope of work for the scorekeeping and display component. The change in scope of work results in a reduction to the funding requirement of the scorekeeping and display budget line item, originally \$518k, to \$118k, which is sufficient for the revised scope of work required. In addition, Legacy Conversion Contingency is in place for the projects that either has been placed on hold or are in various stages of project development.

Contingencies are generally used to fund unforeseen elements that are identified as the project is advanced through detailed design and into construction. As we complete Legacy Conversion projects, contingency becomes available for additional scope or projects that were not anticipated when the budget was initially approved.

As many projects are close to completion the Legacy Conversion Contingency fund is available as an additional source, if necessary.

Amenities				
Project Description		Estimated Cost	Projected Total	Status
Item				
Food Service (Level 1 and refrigeration in parking structure)		0	\$405,000 reno \$165,000 equipment	Architect, Oval, City and Food Vendor worked together to create a concept design to determine a budget for the Level 1 cafe, and cold storage with the use of the repurposed VANOC equipment, submitted Nov 1, 2011
Food Service (Level 2)		0	tbd	ROOC recommends services of food and beverage be provided on the second level of the oval for large events. The concept is to install the infrastructure so a catering company can connect to basic services, i.e. water, sewer and electrical, wash sink etc with the caterers mobile equipment and counters
Total expense			\$565,000+	
Revenue from scoring and display			\$400,000	
Revenue from Contingency			\$165,000	
Net impact to Budget			\$0	

It is recommended that staff proceed with the Food Service in the Oval using the funding from the scoring and display budget line item, combined with any additional funding that becomes available at the end of the Legacy Conversion project.

Financial Impact

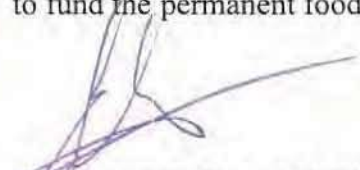
No financial impact

December 15, 2011

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Conclusion

It is recommended to reduce the amount of funding for Scorekeeping by \$400k and apply that amount along with any remainder of funding that is left over at the end of the conversion project to fund the permanent food service program at the Richmond Olympic Oval.



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Cc: John Mills, General Manager, ROOC