




To: General Purposes Committee **Date:** April 21, 2017
From: Jim V. Young, P. Eng. **File:** 06-2052-55-02-01/2017-Vol 01
 Senior Manager,
 Capital Buildings Project Development
 Mike Redpath
 Senior Manager, Parks
Re: **Viability of Repurposing Minoru Aquatic Centre**

Staff Recommendation

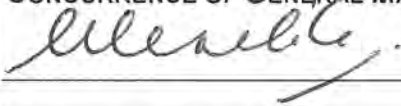


1. That upon completion and opening of the new Minoru Centre for Active Living, the existing Minoru Aquatic Centre located at 7560 Minoru Gate in Minoru Park be decommissioned and demolished, and that the project be submitted for consideration in the 2018 capital budget as described in the staff report titled "Viability of Repurposing Minoru Aquatic Centre," dated April 21, 2017, from the Senior Manager, Capital Buildings Project Development and the Senior Manager, Parks.
2. That any future use of the existing Minoru Aquatic Centre site located at 7560 Minoru Gate be considered as part of the Minoru Park Vision Plan and be subject to Council approval.



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REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Recreation Services	<input checked="" type="checkbox"/>	
Real Estate Services	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO 

Staff Report

Origin

At the December 21, 2016, Parks, Recreation and Cultural Services Committee meeting, staff received the following referrals:

That the following recommendation (Part 1) stating:

That upon completion and opening of the new Minoru Complex (Minoru Aquatic Centre/Older Adult Centre) at the end of 2017, the existing Minoru Aquatic Centre located at 7560 Minoru Gate in Minoru Park be decommissioned, demolished, reverted back to open park space and that the project be submitted for consideration in the 2018 capital budget as described in the staff report titled "Minoru Park Vision Plan Phase One: Facilities Planning," dated December 1, 2016, from the Senior Manager, Parks;

be referred back to staff to analyze the viability of repurposing the existing Minoru Aquatic Center for other uses.

And,

That staff prepare options for the future use of the Minoru Place Activity Centre located at 7660 Minoru Gate, and report back in 2017 as described in the staff report titled "Minoru Park Vision Plan Phase One: Facilities Planning," dated December 1, 2016, from the Senior Manager, Parks.

And,

That staff research options for an open purpose storage museum at an existing location in Richmond in place of building a museum at this time.

The purpose of this report is to respond only to the first referral regarding the Minoru Aquatic Centre and to provide an analysis of the viability of repurposing the existing building for other uses. The two remaining referrals will be addressed in subsequent reports.

Analysis

In order to evaluate the viability of the existing Minoru Aquatic Centre for repurposing, a number of criteria were considered:

1. Facility Condition – assessment of the current condition of the building.
2. Facility Reuse Possibility – the possible type of reuse will determine the standard to which the building would be upgraded and indicate the types of adaptations that may be required. For the purposes of this report, Community Space and Warehouse has been assumed.
3. Capital Funding Implications – given the current condition, what are the costs of the upgrades and adaptations required in order to repurpose the building?

4. Park Implications – what is the effect on the park of retaining the building footprint and adding new programming?
5. Parking Impacts – How is parking impacted by additional uses or reuses?
6. Facility Operations – what would the operational budget impact of repurposing the building be?

1. Facility Condition

Staff engaged technical experts to review the current condition of the Minoru Aquatic Centre and to identify what improvements would be required in order for the facility to be repurposed. A BC Building Code regulated condition of granting occupancy for a repurposed building is that it must be brought up to current building standards. Their findings identified the scope of work required to repurpose the building including the following:

- Extensive replacement of building envelope for thermal performance, appearance, impact of modifications to interior and added openings.
- Replacement of interior finish materials. Current materials are at the end of their lifespan, or are not appropriate as a finish material in a repurposed building.
- Extensive reconfiguration of partitions (non-structural).
- Extensive reconfiguration of partitions (structural).
- Rationalization of floor elevations. Currently, floor elevations are not consistent which adds complexity to planning. Rationalization would be beneficial to the extent possible with current exterior grading and structural configuration.
- Code upgrades to fire safety system, change in building occupant loading and exiting requirements and change in building classification.
- Foundation improvement requirements in some areas.
- Poor roofing condition requiring replacement.
- Infill of the pool basins and removal/replacement of the decks with level surfaces.
- Seismic capacity is a risk and requires further review.
- Electrical equipment has served a reasonable lifespan and should be replaced.
- Mechanical systems should be replaced.

Staff also reviewed the possibility of demolishing only a portion of the existing Minoru Aquatic Centre and leaving the remaining portion intact for repurposing. This possibility would be complicated as ‘cutting in half’ building mechanical and electrical systems that are linked may not be feasible. There would also be considerable and costly issues associated with the roofing, building envelope and other building systems that would need to be addressed. Given these complications and the sizeable risk that the remaining portion of the building is damaged during the demolition process, the possibility of demolishing part of the building and leaving a section intact is not considered viable.

2. Facility Reuse Possibilities

In order to demonstrate the feasibility of repurposing the facility, two options were considered:

- Option 1: Demolish the existing Minoru Aquatic Centre and determine the use of the area through the Minoru Park Vision Plan process. Under this option, staff would submit a 2019 Capital Program funding request (refer to Table 1 under Next Steps in this report) to implement the works per the Council-approved Minoru Park Vision Plan (scheduled for presentation to Council in December 2017).
- Option 2: Repurpose the existing Minoru Aquatic Centre for community use or open warehouse storage. As Options 1 and 2 consider the use of the same site (i.e., the existing Minoru Aquatic Centre site), land value has not been considered in the analysis.

The potential reuse type provides direction in determining how suitable the existing building configuration is for reuse and indicates the type of building system upgrades and additions that may be required. It also has implications related to building code and permitting requirements. These considerations have implications when calculating the cost of repurposing the facility.

3. Capital Funding Implications

To understand the capital funding requirements, the two facility reuse possibilities (demolish or repurpose) were considered again.

Option 1 – Demolish (Recommended)

Demolish the existing Minoru Aquatic Centre and determine the use of the area through the Minoru Park Vision Plan process. The total cost to decommission and demolish the existing building is estimated to be \$3M (2018 dollars). This cost is based on demolition proceeding according to Council Policy 2308, whereby building components are recycled or re-used such that 80% of the building by weight is targeted for diversion away from landfill.

Option 2 – Repurpose (Not Recommended)

In considering the repurposing of the existing Minoru Aquatic Centre for community use, the total cost to bring the existing building to current building standards and to complete tenant improvements for those uses is approximately \$27M (2017 dollars). This estimated cost was prepared by independent cost consultants and contractors.

To repurpose the building for open warehouse storage the total cost to bring the existing Minoru Aquatic Centre to current building standards (base building level) and to complete tenant improvements for those uses is estimated to be \$21.8M (2017 dollars). Similarly, the estimated cost was prepared by independent cost consultants and contractors.

As a part of the review, a comparison was made between repurposing the existing facility and constructing a new facility of the same size (38,000 ft²) for community use. Significant

inefficiencies (design and systems) were identified with the conclusion that a new building is a more effective and efficient option if a facility reuse is considered. For comparison, the cost to construct a new community use facility of a similar square footage (38,000 square feet) is estimated to be approximately \$27.5M (2017 dollars). The estimated cost was also prepared by independent cost consultants and contractors.

Repurposing the Minoru Aquatic Centre will introduce new operating budget impacts for staffing, building operations and maintenance since all of the current operating funding has been allocated to the new Minoru Centre for Active Living as approved by Council. For example, if the potential future reuse includes public access to the building, a budget would be required for attendants, programming staff, building maintenance, supplies, technology, security and utilities among other things. The estimated range of annual operating costs for the reuses identified in Option 2 is \$750,000 to \$1.5M.

A review of costs for acquisition or leasing of warehouse space suitable for open warehouse storage indicates it would be a more cost effective approach than repurposing the existing Minoru Aquatic Centre. The current market value of an industrial building of approximately 38,000 square feet in Richmond ranges between \$9M and \$12.5M depending on the age and condition of the building, tenant improvements, the location of the property and the size of the land area. With the same caveats, net rental rates vary from approximately \$7.00 to \$9.50 per square foot or \$266,000 to \$361,000 per annum. Operating costs (i.e. maintenance and insurance net of property taxes and utilities) would add an additional \$1.50 to \$2.50 per square foot or \$57,000 to \$95,000 to the total gross cost per annum.

4. Park Implications

Given the many changes occurring within Minoru Park, including the additional facility footprint created by the new Minoru Centre for Active Living and in the surrounding neighbourhood, the need for a renewed vision was identified. A capital submission was approved for a master planning process within the Council-approved 2016 Financial Plan and is now underway. The outcome of that process will be the development of the Minoru Park Vision Plan for the park, to explore new opportunities and to address existing issues.

In consideration of the impact of the new facility footprint on the amount of open space in the park, the recommended option under consideration, demolition of the current Minoru Aquatic Centre, would allow for the development of new amenities and programming in a key location in the city. It would also enable greater openness and improve visibility of the park from Granville Avenue.

5. Parking Impacts

The parking plan included in the approved Minoru Complex Public Realm Concept Design did not contemplate a reuse of the existing Minoru Aquatic Centre. If the facility were to be repurposed, additional parking load would be added to the precinct which would need to be accommodated, further impacting the loss of park space. Any additional parking required by reuse of the existing Aquatic Centre would have to be located on existing green space and likely could not be accommodated in the south half of the park.

Pedestrian movement, parking and landscaping for the southern part of Minoru Park was contemplated in the Minoru Complex Public Realm Concept Design but was not included in the project funding. These elements need to be further studied and designed through the Minoru Park Vision Plan process and will be brought to Council for approval.

Analysis Results

While it is feasible to repurpose the existing Minoru Aquatic Centre, it is not recommended. Repurposing the facility is not considered economically or financially viable. The cost to upgrade the building systems to a functional level and then to adapt the building for reuse is comparable to that of constructing a brand new facility that would better meet operational needs and be more efficient to operate.

The cost to operate the building for any use (storage and public assembly) would also have to be considered since there is no funding allocated to it at present. In addition, the parking load in the Minoru precinct would be impacted and the amount of open space lost due to the construction of the new Minoru Centre for Active Living will not be re-gained.

Stakeholder and Technical Building Advisory Meeting

A joint meeting with the Stakeholder and Technical Building Advisory Committees was held on March 9, 2017, at which time the consultant's findings on the current condition and repurposing opportunity for the existing Minoru Aquatic Centre were presented. The Committees were asked to provide their advice on the following statement:

Do the Committees agree with the consultant's findings whereby it is recommended that the existing Minoru Aquatic Centre be demolished and converted to park space?

Following lengthy discussion, there was not a consensus response to the question. Instead, the following comments were offered by the Committee members:

- Use the space to maximize parking, in particular given the imminent opening of the new Minoru Centre for Active Living.
- Complete the Minoru Park Master Plan first to fully understand the existing Minoru Aquatic Centre site before taking any other action.
- Understand the need for the building before considering reuse.
- Do not repurpose the building as it is not part of the plan and it is very expensive.
- Complete a minimal (less expensive) upgrade to the existing building to preserve its use for storage purposes, in particular, for heritage related artifacts and/or similar items.

Minoru Park Vision Plan

The Minoru Park Vision Plan process, now underway, presents the opportunity to explore improvements and new programming opportunities for the whole park. The proposed Vision and Guiding Principles for the future of Minoru Park are scheduled to be presented to Council for approval in spring 2017. This report will summarise the public, stakeholder and staff input received to date.

The next steps in the process will be to generate concept options that reflect the approved Vision and Guiding Principles and conduct a public engagement process to receive input on the options. A final Minoru Park Vision Plan will then be developed and is targeted for Council approval at the end of 2017. At that time, staff will seek direction to undertake a detailed design study and cost estimating for the entire zone east of the track. This work can be completed before demolition of the existing Minoru Aquatic Centre begins.

Next Steps

Should Council choose the recommended option, staff will prepare a capital request for the 2018 capital budget process on the demolition of the existing Minoru Aquatic Centre and site for Council consideration. The estimated cost to demolish the existing building is \$3M (2018 dollars) which would leave a level, secured site ready for its next purpose. It is intended that building demolition would be scheduled and coordinated with the Minoru Park Vision Plan for this site following Council approval and following the opening of the new Minoru Centre for Active Living. The sequence of the proposed work is as follows:

Table 1 – Schedule

Date	Proposed Work
December 2017	Council approval of the Minoru Park Vision Plan.
January – May 2018	Prepare a detailed design and cost estimate for park development of the southeast corner of Minoru Park.
May 2018	Start demolition of the existing Minoru Aquatic Centre (following the opening of the new Minoru Centre for Active Living).
Fall 2018	Council approval of the capital request for implementation of park development.
Fall 2018	Complete demolition of the existing Minoru Aquatic Centre.
January 2019	Begin construction of works in the SE corner of Minoru Park.

Financial Impact

None.

Conclusion

The recommended option following completion and opening of the new Minoru Centre for Active Living is to demolish the existing Minoru Aquatic Centre and consider the future use of the space in conjunction with the Minoru Park Vision Plan. Repurposing of the existing Minoru Aquatic Centre is not recommended because of the associated costs to bring to public use and to operate it. Completion of the Minoru Park Vision Plan will provide direction on how to move forward with the existing Minoru Aquatic Centre site.



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