



**STAFF REPORT
ACTION REQUIRED**

Results - REOI 9119-13-5004 for the Design, Construction, Administration and Operational Management of a Multi-Pad Ice Arena to Replace the Don Mills Civitan Arena

Date:	September 30, 2013
To:	Government Management Committee
From:	General Manager, Parks, Forestry and Recreation Division Director, Purchasing and Materials Management Division
Wards:	Ward 26 Don Valley West Ward 34 Don Valley East
Reference Number:	P:\2013\Cluster A\PFR\GM25-101513-AFS#18229

SUMMARY

The purpose of this report is to provide information on the results of the Request for Expression of Interest (REOI) No. 9119-13-5004 for the design, construction administration and operational management of a multi-pad ice arena to replace the Don Mills Civitan Arena and to request authority to issue a request for proposals (RFP) to design, build and operate a two pad ice arena located at the City-owned site at the northwest corner of York Mills Rd and the Don Valley Parkway.

RECOMMENDATIONS

The General Manager of Parks, Forestry and Recreation and the Director, Purchasing and Materials Management Division recommend that:

1. City Council approve the location of the future multi-pad ice arena to replace the Don Mills Civitan Arena at the City-owned site located at the northwest corner of York Mills Rd and the Don Valley Parkway (shown in Attachment 'A') based on the results of the REOI in conjunction with the site selection recommendations outlined in the report titled "A New Multi-Pad Ice Arena Site to replace Don Mills Civitan Arena".

2. City Council authorize the General Manager, Parks, Forestry and Recreation and the Director, Purchasing and Materials Management Division:
 - a) to issue a RFP to seek a qualified proponent to both design and build a multi-pad ice arena to replace the Don Mills Civitan Arena and to report back to Government Management Committee with the results and
 - b) to issue a RFP to seek a qualified operator of the multi-pad ice arena and to report back to Government Management Committee with the results.

FINANCIAL IMPACT

The 2013-2022 Parks, Forestry and Recreation Capital Plan includes projects totalling \$24.5 million to design and construct an arena to replace the Don Mills Civitan Arena with funding from reserve funds, development charges, and City debt. This funding will provide for the new arena on a City owned site. It must be noted that the choice of a site the City does not own would require significant additional funding, for which there is no provision currently. There are no additional financial impacts from adopting the recommendations in this report.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

The work to find a replacement site for the Don Mills Civitan Arena began before 2007 when Parks, Forestry and Recreation identified that the Civitan Arena would need to be replaced. In February 2008, North York Community Council directed that a search commence for a new location for the arena.

Decision Document – NY 13.24

<http://www.toronto.ca/legdocs/mmis/2008/ny/decisions/2008-02-12-ny13-dd.pdf>

In June 2008, North York Community Council considered a deferred report setting out the study criteria. North York Community Council endorsed a preferred site at Highway 401 and Don Mills Road.

Decision Document –NY16.12

<http://www.toronto.ca/legdocs/mmis/2008/ny/decisions/2008-06-10-ny16-dd.pdf>

In September 2009, North York Community Council directed that Parks, Forestry and Recreation report on the progress and in November 2009, Parks Forestry and Recreation's report was considered.

Decision Document – NY20.24

<http://www.toronto.ca/legdocs/mmis/2008/ny/decisions/2008-11-18-ny20-dd.pdf>

At its meeting of September 30 and October 1, 2009, City Council, through a status and request for direction report for a rezoning application at 939 Lawrence Ave. E, 1090 Don Mills Road, and 49 and 75 The Donway West, directed the General Manager of Parks, Forestry and Recreation to explore the potential for providing a combined community centre and twin-pad arena within the Don Mills Centre and to report back to North York Community Council.

Decision Document – Item NY27.54:

<http://www.toronto.ca/legdocs/mmis/2009/cc/decisions/2009-09-30-cc40-dd.htm>

At its meeting on February 22-23, 2010, City Council reviewed item CC46.2 entitled, "939 Lawrence Avenue East, 1090 Don Mills Road, 49 and 75 The Donway West - Ontario Municipal Board Hearing" following an Ontario Municipal Board (OMB) hearing on the development at these sites. City Council adopted the Minutes of Settlement negotiated at the OMB. In the Minutes of Settlement, there were recommendations pertaining to the arena that were adopted included the following:

- The applicant will be offered the grant of an option in favour of the applicant to purchase the existing Don Mills Civitan Arena lands;
- The City will lease the Don Mills Civitan Arena lands until October 31st, 2020, after which a new Arena must be constructed;
- Parks, Forestry and Recreation will need to acquire another site for the arena and determine the source of the balance of the estimated \$20 million capital cost for the new twin pad facility;
- All cash in lieu of parkland generated from the Don Mills Centre Phase II development be allocated to the construction of a new arena;
- The City will receive an estimated \$4.5 million cash in lieu as the development is built out; and
- The City to establish a reserve fund called the North York Arena Reserve Fund for the purpose of the construction of a new twin-pad arena within the vicinity of the Don Mills Centre to be funded by the cash in lieu of parkland generated from the Don Mills Centre, Phase II development.

Decision Document – Item CC46.2:

<http://www.toronto.ca/legdocs/mmis/2010/cc/decisions/2010-02-22-cc46-dd.htm>

At its meeting of May 25th, 2010, North York Community Council reviewed item NY34.19, which provided a status update on the search for a suitable site. Parks, Forestry and Recreation staff described a short list of candidate sites with the potential to meet the site selection criteria.

Decision Document – Item NY34.19:

<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getDecisionDocumentReport&meetingId=3407>

At its meeting of September 2011, January 2012 and March 2012, the report A New Multi-pad Ice Arena Site to replace Don Mills Civitan Arena was deferred. The report identified the York Mills and Don Valley Parkway site as the preferred site. The report was adopted with amendments by North York Community Council in June. The amendment directed that a second site also be considered. The report was forwarded to City Council in July 2012.

City Council on July 11, 12 and 13, 2012, adopted the following recommendations of the North York Community Council for a new Multi-Pad ice arena to replace Don Mills Civitan Arena.

1. City Council direct the General Manager, Parks Forestry and Recreation to issue a Request for Expression of Interest (REOI) or if appropriate, a Request for Proposal (RFP) to identify any potential development of a two or more pad ice facility at one of the following two sites:
 - a. York Mills Road and Don Valley Parkway; and
 - b. The south/west corner of Eglinton Avenue East, and Don Mills Road (the Science Centre site).
2. City Council direct the General Manager, Parks, Forestry and Recreation to report back to Budget Committee and Executive Committee with a funding approach, which may include public-private partnerships, for the development and operation of a two or more pad facility following the conclusion of the REOI/RFP process outlined in Part 1 above.
3. City Council direct that no residential development be considered as part of any proposal at the York Mills Road and Don Mills site.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.NY17.10>

ISSUE BACKGROUND

The Don Mills Civitan Arena at 1030 Don Mills Road was constructed over 50 years ago and contains a single pad ice surface.

The Don Mills Civitan Arena needs to be replaced because the City will convey the land upon which the arena is located to Cadillac Fairview as part of a land exchange that involves the creation of a new community centre that will not include any ice pads. The existing site continues to be owned and operated by the City, but will become the property of Cadillac Fairview when they trigger their option to purchase between now and October 2020. The Don Mills Arena will continue to be used by the City as an arena until 2020 when the arena will be closed.

Based on City Council's direction of July 11, 12 and 13, 2012, REOI 9119-13-5004 for the design, construction, administration, and operational management of a multi-pad ice arena to replace the Don Mills Civitan Arena was issued on June 12, 2013 through Purchasing and Materials Management Division ("PMMD").

The purpose of the REOI was to gather submissions containing creative, innovative, cost-effective and sustainable options related to the design, construction, financing and operation of the new arena along with identifying one of the two sites as a preferred building location. The

intent of the REOI was to allow interested parties to submit information to the City to determine potential options for a process going forward and was not used as a pre-qualification for a future RFP which will be open to any interested parties.

The two sites outlined in the REOI were determined using a defined set of criteria which was approved by North York Community Council. The criteria guided the site selection process within wards 25, 26, or 34. The site selection criteria included a minimum size (1.2 ha), uniform rectangular shape, ability to accommodate a 7,000 sq. m. twin pad arena footprint, minimum 250 parking spaces, appropriate zoning and land use, and transit accessibility. The application of the criteria to the respective sites resulted in findings which have been summarized in the staff report linked below.

<http://www.toronto.ca/legdocs/mmis/2012/ny/bgrd/backgroundfile-47657.pdf>

Parks, Forestry and Recreation staff have been made aware of the intent of the Toronto District School Board (TDSB) to dispose of a portion of the Don Mills Middle School site located on the southeast corner of Lawrence Ave E. and The Donway E. The Toronto District School Board is required by legislation to transact surplus school lands at market value. Parks, Forestry and Recreation would not purchase this surplus school land because there are not sufficient funds in the appropriate parkland reserve account to purchase this land at market value. REOI 9119-13-5004 did not contemplate this site as a potential location as it is not a City owned property, nor were staff directed to contemplate the site in drafting this REOI. This site has not been formally reviewed by City staff and acquiring it would represent a significant financial cost to the City.

While the Don Mills Middle School site is in close proximity to the existing Civitan Arena, the study that led to the replacing of the Civitan report found the location of registrants in programs at the Civitan Arena come from a much larger area. Both the Science Centre site and the York Mills and DVP site are also well within the concentrated area of registrations.

COMMENTS

The Request for Expression of Interest

REOI 9119-13-5004 was issued by PMMD on June 12, 2013 and made available for download on the City's internet website. The closing date for submissions was originally July 9, 2013 but extended to August 20, 2013. Twenty (20) firms purchased the REOI document from the PMMD website. A total of three (3) addenda were issued in response to the questions sent to PMMD prior to the closing date. An information session was held at Metro Hall on June 24, 2013 to provide potential proponents the opportunity to ask questions and ascertain the full extent of the scope of work. A total of twenty (20) firms attended the information session.

Review of Request for Expressions of Interest:

A formal review committee comprised of four (4) members reviewed the proposals to ensure compliance with the minimum criteria set out in the REOI.

A total of two (2) submissions were received:

1. 1763412 Ontario Inc (operating as Don Mills Arena Group)
2. Ellis Don Corporation

The submissions were reviewed by the Committee in accordance with the pre-established mandatory criteria in the REOI.

1763412 Ontario Inc (operating as Don Mills Arena Group) – Summary of Response

The submission from the Don Mills Arena Group ("DMAG") identified the site located at York Mills Rd and the Don Valley Parkway (Attachment 'A') as their preferred location based on the following factors:

1. City owned land;
2. Likely to be under Parks, Forestry and Recreation (PFR) jurisdiction; and
3. Could adequately accommodate a twin pad ice arena

Other advantages to this site is that along with being vacant and essentially flat, the site is enclosed by wall barriers along the Don Valley Parkway (DVP), creating a sound barrier that leaves the site ready to be developed. DMAG has also listed the higher elevation on York Mills Road with a frontage that slopes toward the road as being a benefit as it allows for the development to be appealing from a design perspective.

The higher elevation also allows for a high level of visibility for the site from both the DVP along with York Mills Rd which will be an advantage in creating awareness of the facility. The location would also allow for easy access from the DVP, Highway's 404 & 401 and other major city routes.

DMAG's submission echoed many of the advantages of the York Mills and DVP site that were identified in PF&R's independent site selection study of five City owned sites that could accommodate a multi-pad ice facility. That study was included as an attachment to the August 23rd 2011 report to North York Community Council:

<http://www.toronto.ca/legdocs/mmis/2012/ny/bgrd/backgroundfile-47657.pdf>

The DMAG fiscal proposal is to eliminate the City's future ongoing operation and capital commitments and to reduce the City's capital contribution for the arena. DMAG does acknowledge that the majority of the Capital Funding must be contributed from the public sector. In order to achieve a viable Operating Model, DMAG suggests a Public/Private/Partnership (PPP) with some of the funding being sourced from the following:

- DMAG Community Private Investors
- Community Fund Raising
- User Group Contributions
- Federal / Provincial Grants
- Private Sponsorship

Ellis Don Corporation – Summary of Response

The submission from the Ellis Don Corporation did not make a recommendation for any one site, nor did it go into specifics with respect to a funding approach.

Ellis Don has expressed their interest in working with the City to understand the City's intent and commitment to developing a multi-pad arena along with identifying and defining the options available to the City.

In order to accurately define the scope of this project, Ellis Don feels that this will have to be a Community-Developer driven process where the program needs and expectations are tempered by the utilization and financial limitations of the project.

Based on their experience building similar facilities, Ellis Don expects that such a facility would carry a capital development cost in the range of \$20 - \$30 million.

CONCLUSION

The City has allocated \$24.5 million in the capital budget 10-year plan towards completion of the project. Due to the pending closure of the existing arena decisions must be made and approvals granted as soon as possible to ensure a new facility is completed prior to the closure of the existing Don Mills Civitan Arena in 2020.

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ATTACHMENT 'A':

York Mills/DVP

