



Community Services *Staff Report*

REPORT NO: CS 2023-04

TO: Council

SUBMITTED BY: Sandy Jackson, Director Community Services

PREPARED BY: Sandy Jackson, Director Community Services

REVIEWED BY: Sharon Chambers, CAO

DATE: April 3, 2023

SUBJECT: New Hamburg Arena Ice Feasibilit

RECOMMENDATION:

THAT Report CS 2023-04 be received for information purposes.

SUMMARY:

This report provides a high-level review of the feasibility of recommissioning the New Hamburg Arena as an interim solution to ice time shortages in Wilmot, as requested by Council.

The report provides background information, a high-level operating and capital budget summary, an outline of impacts on The Community Players (TCP) and the existing Investing in Canada Infrastructure Program (ICIP) grant approved for this building, and a summary of an alternate ice surface product called "Glice".

There are several factors impacting the feasibility of recommissioning the New Hamburg Arena , which are outlined within this report. A major consideration is that the Township has received a \$4.2M grant through the ICIP Strategic Priorities Infrastructure Fund to fund a renovation that aligns with the development of an Anchor Tenancy Agreement with TCP. In addition, hiring a new staff complement would be required for this location. This was

previously identified in the Wellesley Arena report and throughout the budget process as an on-going challenge.

Using some of the costs provided in staff report [CS 2023-02](#), staff have developed a rough estimate of operational costs as shown in Appendix “A”, which would be in the \$211,000 to \$300,000 range per year. This would equate to approximately 2.2 – 3.0% increase to the base operating levy. This estimate does not include any major maintenance that would be required to make the facility operational. In addition, \$8M in major capital costs have been identified based on updated estimates from 2019 and a Building Condition Assessment completed in 2020.

As a result of the challenges associated with recommissioning this ice pad and the age of the structure, location within the flood plain, and a number of other considerations outlined in this report, staff do not recommend this option for addressing the ice shortage in Wilmot. In the interim, staff will continue to work with local groups to maximize ice use and work with neighbouring municipalities who may have additional ice available for rent.

BACKGROUND:

At the March 20, 2023, Council meeting, staff presented a report, as directed by the Finance and Budget Committee regarding the feasibility of operating the Wellesley Arena which is set to close with the pending construction of a new facility. After presenting the report and through discussions with Council this option was not pursued further. Staff were then directed through a resolution to bring back the following:

“THAT staff be directed to bring a report back to Council, within three (3) months, outlining costs associated with using the New Hamburg Community Centre as an ice-pad, including using Glice.”

Third Ice Pad Location Study

In 2007 construction of the Wilmot Recreation Complex (WRC) twin pad facility was opened to the public. At this time, the single pad New Hamburg Arena (NHA) was taken out of service as an ice pad due to end of life. Originally constructed in 1948, this 75-year-old structure has since been used for theatre performances by The Community Players (TCP), activities provided by the Wilmot Family Resource Centre, floor rentals for roller derby, roller skating, ball hockey, dry-land training, skate boarding, and has been rented for special events, buck and does and many other activities that serve local and area residents and visitors.

Over the past few years, staff have presented various reports to Council regarding a third ice pad to accommodate the local ice demand and to host tournaments that attract tourists to our community. Staff report PFRS 2020-013 Indoor Arena Ice Usage and Needs Analysis Update and PFRS 2021-018, included research provided by Monteith Brown Planning Consultants Ltd. which included evaluating local organizations ice needs and potential sites for a third ice-pad.

Report PFRS 2021-018 recommended the WRC as the preferred site over recommissioning the NHA, which was further supported by public consultation results from an online survey regarding preferred location for ice in staff report PFRS 2021-019.

REPORT:

User Group Consultation Re: New Hamburg Arena

In February 2022, Monteith Brown Planning Consultants in conjunction with Cornerstone Architecture presented findings of their research into the Third Ice Pad Location Study to Council through staff report [PFRS 2022-009](#) "Third Arena and Parks Operations Site Final Report" attached as Appendix "B". Within this report, an evaluation of recommissioning the New Hamburg Arena as an option to provide a third ice pad was further explored and evaluated. Public and user group consultation was conducted through workshops and interviews with key user groups, Township staff, and through a public consultation survey which was included in the research and reporting to Council.

The Third Arena and Parks Operation Site Final Report summarizes consultation with arena user groups including the Wilmot Girls Hockey Association (WGHA), New Hamburg Skating Club (NHSC), New Hamburg Firebirds (NHF), and New Hamburg Hockey Association (NHHA) of page four (4) of the report. In this summary all groups identified expansion of the Wilmot Recreation Complex (WRC) as the preferred solution due to challenges with the New Hamburg Arena (NHA) dressing rooms, other amenities, and the undersized rink surface.

Staff and public feedback are summarized on pages five (5) and six (6) of Appendix "B" and support the preference to construct a new facility at the WRC versus recommissioning the NHA.

Evaluation of New Hamburg Arena

Within the Monteith Brown report, recommissioning of the NHA versus construction of a third pad at the WRC were evaluated based on three major categories of design, accessibility and energy efficiency as outlined on pages 4-6 in the report (Appendix B). Site selection criteria was established and included evaluation of the following: location and access; site development potential; community compatibility; known constraints; planning approval status; availability of site; focal point potential; expansion potential; and amenity opportunities (see page 11 of the report). The building condition description of the NHA on page 16 detailed original construction information, and a lobby renovation in 2014 that converted some former arena dressing rooms to meeting spaces.

In 2018, an assessment of the ice refrigeration plant and floor condition was completed by CIMCO INC. which indicated that a full replacement of the mechanical systems, brine lines and a new concrete floor would be required to reinstate the arena as an ice plant. Estimated costs are included in the financial summary of this report and Appendix "A".

The Monteith Brown report goes on to indicate there are a number of functional limitations with the NHA including accessibility challenges, seating that does not meet Building Code, end of life HVAC and mechanical equipment, a lack of insulation, and a requirement for full replacement of the dasher boards and glass system. An addition to the building to accommodate new dressing rooms, washrooms, and gender neutral change spaces for participants was also identified.

A 2020 Building Condition Assessment outlined a number of items in poor condition that are being addressed over time through the ten year capital budget. The total forecasted expenditures on the NH Arena and CC over the 10-year horizon are valued at approximately \$7M, including grant funding received from ICIP to renovate the building in partnership with The Community Players (TCP). This project is committed to expanding and improving spaces in support of an anchor tenancy agreement as outlined below.

The Community Players

In January 2022 staff report PFRS 2022-002 The Community Players (TCP) Request for Exclusive Use of Space report was presented to, and supported by Council. This report included the following recommendation:

“THAT staff be directed to work with TCP to develop an anchor tenancy agreement for the New Hamburg Community Centre for all future exclusive use requests.”

Staff have met with TCP to begin outlining the terms of an anchor tenancy agreement; however, an agreement is not yet in place. Staff continue to honour historical use of this facility to ensure support for arts and culture through TCP.

Prior to this, in 2019, a grant application was submitted to ICIP: Community, Culture and Recreation Stream Multi-Purpose Intake to renovate the New Hamburg Community Centre (NHCC) and arena. The goal was to modernize the former arena facility and make it compliant with current building and fire codes; create a hybrid facility that can accommodate warm floor multi-purpose uses and support the local arts community through the provision of a dedicated space for the performing arts within the Township; and consolidate storage space and performance space within the same facility for the local theatre group (TCP).

Although the initial grant submission was unsuccessful, staff were contacted by the Ministry to resubmit the application in 2022 and the second submission was successful. The project includes a new addition of theatre storage and staging space to accommodate TCP as well as a number of other improvements to make the building code compliant. The project is estimated at \$5.7M with a grant valued at \$4.2M. As per the Transfer Payment Agreement (TPA), works are required to be substantially complete by 2027.

Due to the site constraints related to the NHA and Community Centre, it is staff's opinion that it will be very difficult to accommodate the expansion required for TCP storage and staging

space as well as an addition for dressing rooms required to reinstate the building for ice use. TCP hosts two (2) major shows each year, and adding ice back to this facility could disrupt the fall show. Additionally, should the Township be unable to deliver on the terms included in the grant in order to accommodate recommissioning the arena and building a dressing room addition, there is a risk of losing some or all funding.

As a result of the past research conducted by Monteith Brown, Cornerstone Architects, building condition assessments, other capital needs at this site, operating and capital cost to recommission the ice pad, and the potential impacts on TCP and grant funding, staff do not recommend further pursuing the option of recommissioning the NHA.

Glice

Glice is a synthetic surface used for skating that provides a portable surface that does not require refrigeration and can be applied indoors or outdoors. Initially this product was developed for warmer southern climates where natural ice is not feasible. There are some uses in colder climates based on the information staff obtained, however this product appears to typically be purchased for home training use and by some hockey trainers when ice is not available. The product brochure is attached as Appendix “C” to this report.

To ensure the four (4) main Township ice user groups; WGHA, NHSC, NHF, and NHHA were consulted regarding this product, staff reached out to inquire they had experience using this product and if it would meet their needs for additional ice. A summary of the comments is shown in the chart below:

Glice Product Feedback from User Groups:

NHHA	WGHA	NHSC	NHF
<p>There is no hockey team across Ontario that utilizes this type of synthetic ice surface to replace practice times or play games on. NHHA would not use synthetic ice if Wilmot Township invested in it. The product is intended for home training purposes and is not to replace the regular ice practice and game times. Individuals can easily and inexpensively purchase it on their own for their basement</p>	<p>Our members who were familiar with this product shared the same concerns as mentioned by the other groups. The other piece of feedback shared was around the negative impact that the use of Glice has on a players' skates. Each time you skate on Glice, your skates need to be sharpened, or you need to have a dedicated set of blades just for this use.</p>	<p>This type of ice, in my experience is for very basic skating. The ice is actually "sticky."</p> <p>It is really nothing like a real ice surface, so it would not work for the skating club, in fact it would be dangerous for our skaters in our higher levels.</p>	<p>This is not a product that we could use for the Firebirds need.</p>

to use so renting from the township would have no demand.	This would not be an option we would be interested in.		
---	--	--	--

All four (4) organizations clearly indicated they would not use this surface were the Township to install it. In addition, the NHHA provided a detailed summary, attached as Appendix “D” to this report, of the challenges and concerns with this product. As a result of the feedback, and the user group consultation, staff do not recommend pursuing the option of installing Glice further.

Parks and Recreation Master Plan

The 2024 Capital Budget includes funds to update the Parks and Recreation Master Plan. This project will include extensive public consultation regarding community need for recreation facilities, programming, and services. The RFP for this project can be developed with clear direction to reassess the Monteith Brown reports and consultation, as well as demographic statistics and growth expectations regarding the need for a third ice pad.

This updated analysis and consultation on all recreation services will provide the necessary information for Council to consider priority needs in the community to develop recreation and parks services. Staff recommend using the Master Plan project to re-evaluate the timeline for construction of a third rink and confirm the ice needs in the community.

In the interim, staff will continue to work with local groups to maximize ice use and work with neighbouring municipalities who may have additional ice available for rent.

ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

This report supports the Strategic Goal of Quality of Life through recreation and leisure Opportunities, and Responsible Governance through Fiscal Responsibility.

FINANCIAL CONSIDERATIONS:

The Monteith Brown Planning Consultants Ltd. report attached as Appendix “B” included a 2019 cost estimate of \$6,452,750 to construct a 7,200 sq ft expansion to accommodate four (4) full size dressing rooms, two (2) smaller dressing rooms and two (2) referee rooms alongside a new concrete slab floor, brine system, boards and glass, ice plant, etc. An estimated updated chart included as Appendix “A” in this report shows an updated high level cost estimate of a minimum of \$8M to complete these renovations (note these estimates have not been verified by an architect).

Similar to the Wellesley operation, each \$100,000 addition to the operating budget would result in a 1% increase in the tax base, and there is no guarantee that all costs have been accounted for, nor that all revenues included in the operating estimate will be attained.

Therefore, should the operation of this facility be considered, it could add 2 - 3% to the tax base, plus approximately \$8M in additional capital budget investments.

Estimated Budget (see summary in Appendix "A")

Potential Annual Revenue:	\$216,440
Annual Operating Expenses:	<u>\$428,150</u>
Net Annual Cost:	\$211,710
Estimated Capital Investment:	\$8,000,000
Potential Lost Grant Funds:	(\$4,200,000)

10-Year Capital Budget for New Facility: \$12,631,250 including design.

Ten Year Capital Budget:

During the budget process, staff presented the Ten (10) Year Capital Program which shows design of the third pad in 2026 and construction in 2027 for a total of \$12,631,250.

Over the next few years, staff will seek capital grant funding to support the construction of a third pad project should Council wish to support it at that time. Each year will provide an opportunity for Council to reconsider the timing of this project when the budget is presented.

Investing \$8M in a 75-year old facility versus constructing a new arena that will have a 40-50 year life does not align with fiscal Township goals, particularly if it risks the loss of the \$4.2M in grant funding previously approved for this facility.

ATTACHMENTS:

- Appendix A: Estimated Operating and Capital Budget Summary
- Appendix B: Monteith Brown Planning Consultants Ltd. Third Ice Pad Location Study
- Appendix C: Glice Promotional Brochure
- Appendix D: Comments from NHHA re: Glice

Appendix “A”: Estimated Operating and Capital Budget Summary

New Hamburg Arena Estimated Budget					
28 weeks ice operation (Sep-Mar)					
Revenue	Hours	Rate	Weeks	Total	Notes
25 hrs Mon-Fri 8am to 10pm					
24 hrs Sat-Sun 8am to 8pm	50	\$ 155	28	\$ 216,440	Minor hockey rate
				\$ 216,440	
Annual Expenditures					
Annual Expenditures	Item	Per Month	# of months	Total	Notes
Lease				\$ -	n/a
Utilities	Hydro			\$ 60,000	
	Gas			\$ 11,500	
	Water/waste	\$ 10,000	7	\$ 70,000	
	Internet	\$ 250	7	\$ -	n/a
Contracted Services	Snow Removal	\$ 5,000	5		n/a
	Refrig mtce	\$ 5,000	7	\$ 35,000	
	Oil Changes				
	Compressors	\$ 2,000	1	\$ 2,000	Start Up Annually
	Blade change	\$ 1,000	1	\$ 1,000	Annually
Supplies	Propane	\$ 800	7	\$ 5,600	
	Cleaning/paper	\$ 1,000	7	\$ 7,000	
Zamboni	Rental	\$ 3,750	7	\$ 26,250	
Equipment	shovels, edger, mops etc.	\$ 15,000	1	\$ 15,000	
Other	Contingency	\$ 5,000	7	\$ 35,000	
				\$ 268,350	Subtotal
Staffing					
	FT Leadhand			\$ 54,000	
	FT Operator			\$ 48,000	
	PT Attendant			\$ 22,400	
	PTO Wknd Oper (2)			\$ 27,000	
	PT wknd Attend.(2)			\$ 8,400	
				\$ 159,800	Staffing Subtotal
				\$ 428,150	Total Expenses
				\$ (216,440)	Less Revenues
				\$ 211,710	Net Annual Cost
One Time Capital Expenditures (Estimated)				Total	Notes
	Floor Replacement			\$2,000,000	
	New Refrigeration Plant			\$1,000,000	
	New Dehumidifiers			\$ 500,000	
	Replace Water Heaters &			\$ 400,000	
	Replacement of seating			\$1,500,000	
	Dasher Boards and glass			\$ 500,000	
	Addition of Dressing Rooms			\$2,000,000	
	Other Unknown Capital Costs			\$ 100,000	
				\$8,000,000	Total One Time Costs