

# Memo

TO: Mayor Grace and Members of Council  
FROM: Larry J. McCabe, Chief Administrative Officer  
DATE: May 1, 2019  
RE: Memorial Arena

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## **PURPOSE**

As directed by Council, staff provide information and recommendation regarding the following three alternatives for the future of Goderich Memorial Arena:

- 1) Refurbish Memorial Arena (2 alternatives)
  - a) Install new ice plant or
  - b) Repurpose facility
- 2) Sell Memorial Arena portion of the property
- 3) Demolish Memorial Arena

## **RECOMMENDATION**

Considering all factors and options available for the future of the Goderich Memorial Arena, staff are recommending Option #3 - Demolition including rehabilitation of the site for parking.

THAT Council proceed on with a Request for Proposal for the demolition. Timing of demolition would involve consideration for events already booked at the facility. A list of bookings has been provided in Appendix 5.

THAT funding for the demolition would come from reserve as determined at a future date including the \$100,000 allocation to an Arena reserve in the 2019 budget.

THAT staff be authorized to proceed accordingly.

## **BACKGROUND**

The Goderich Memorial Arena was constructed in 1949 and has served the municipality well for many social functions and sports events over the years.

The arena operations include the ice surface from September to March as well special events, shuffleboard and ball hockey from April to September. The Auditorium is utilized throughout the year for day camp, Lion's bingo and special events.

In 2018, a report was received from Black & McDonald indicating the ammonia system used for the ice surface was a health and safety risk. Council authorized the removal of ammonia system in the fall of 2018.

The facility is budgeted in 2019 to operate at a deficit of \$115,000 due to the lack of ice in the arena.

Staff have met and provide the following analysis of the three alternatives:

### **Option #1**

#### **Repurpose**

The overall current status of the building was considered with regard to this option. In order to gather the required information a Designated Substance Survey (DSS) report was initiated in order to determine the presence of hazardous substances. An engineering assessment regarding the structural integrity of the building was also performed. These reports are included as Appendices 2 and 3.

Based on the reports, the Memorial Arena has the following concerns with regards to structure and future operation:

#### **Conclusion and Recommendations from Engineers Report:**

- The building is structurally safe for normal occupancy at the time of the inspection.
- Masonry repairs should be made to the east and south walls and to interior partitions of the change rooms. Cracks in the masonry of the northwest corner of the rink area should be completed. Masonry repairs should be done in the next three years – budget of approximately \$46,000
- Forecasted re-painting work to main roof trusses and joist over the rink surface in the next 5 to 10 years – budget of approximately \$140,000 in 2019's dollars.
- Structural inspection in 2024.

The scope of the engineer's assessment **did not** include comment on electrical or mechanical services, accessibility, architectural or fire safety matters.

#### **Summarized Findings from Designated Substance Survey:**

- Varying levels of asbestos was found in the flooring, mechanical room parging and textured plaster in the foyer.
- Varying levels of lead, mercury and arsenic were detected in the paint in the ice rink area, viewing area, washroom, change room areas, storage and furnace rooms and exterior.
- Due the building age, all plumbing solder, lead pipes, cast iron plumbing, electrical equipment and roof flashing is assumed to contain lead.
- The compact fluorescent lamps, high intensity discharge lights and tubes are also suspected to contain mercury vapour.

Materials confirmed to contain designated substances or hazardous materials should be removed in accordance with all applicable regulation prior to any demolition.

In 2015, the YMCA engaged a firm to perform an asset condition assessment in order to assist in long-term capital planning. The condition assessment report has been provided in Appendix 1. The YMCA used a matrix to prioritize major maintenance and replacement work to be performed and then allocated forecast costs to an anticipated year for the work – Appendix 4. Significant investment in major maintenance has not occurred at the facility in several years due to the balancing of priorities.

As noted in the capital plan, a total investment of \$1,852,992 was forecasted for 2019 including several items that have previously been deferred. The plan highlights the replacement of the roof in 2019 at an estimated cost of \$936,360 as well as the replacement of interior elements such as concession stand flooring, lighting, dressing room plumbing fixtures and fire alarm system all of which were installed in 1954. Additional investment of \$858,850 over the next 5 years is also forecasted which includes replacement of the electrical service at an estimated cost of \$416,160.

Town staff have highlighted the replacement of the exterior siding on the north and west sides of the building with an approximate cost of \$130,000 for consideration.

Installation of a new ice plant would exceed \$1,500,000. This level of investment in an aging facility does not have financial merit.

In addition, the building has limited areas that would conform to current accessibility requirements. This would need to be addressed in any repurposing effort to make it compliant with current standards.

Generation of adequate revenue to support the necessary capital investment and carry the ongoing operating costs is not considered likely. Currently, the operating costs are \$130,000 as follows (2019):

|                           |               |
|---------------------------|---------------|
| Wages                     | \$ 25,000     |
| Electricity               | \$ 44,040     |
| Building mtce contract    | \$ 18,164     |
| Insurance                 | \$ 13,140     |
| Water                     | \$ 12,600     |
| Gas                       | \$ 7,943      |
| Building repairs and mtce | \$ 5,916      |
| Telephone                 | \$ 2,916      |
| Misc. supplies            | <u>\$ 462</u> |
|                           | \$130,181     |

Non-ice rental revenue is budgeted to be \$15,000 (2019)

Prior to the removal of the ice plant, the facility's total annual revenue was \$127,200 and operating costs were \$171,300 resulting in an annual deficit of \$44,100 (2017 data).

The substantial capital investment required to repurpose the facility or invest in a replacement for the ice plant in this aging building is not considered to be practical.

## **Option #2**

### **Sale of Memorial Arena portion of the property**

It should be noted that the private sector would be faced with many of the above noted concerns that have been identified in Option #1 above.

The sale option would be completed through a Request for Proposal (RFP) process. The intended use of the property by a potential purchaser would need to be considered in relation to the property's zoning, residential location and the impact on the users of Bannister Park. Sale of the arena portion of the property would also require a severance.

Parking requirements for a proposed purchaser would also need to be considered.

The age of the building and substantial capital investment needed would seem to indicate that the feasibility of a private venture would be difficult.

## **Option #3**

### **Demolition**

- Costs associated with Option #1, are projected to be substantial and this level of investment is not considered practical based on the age of the facility.
- The site could be used to provide additional parking for Bannister Park. The creation of additional parking was not part of the Bannister Park project and may pose a concern in the future as the park becomes operational and sports activities grow in this area.
- Within the construction of the Maitland Recreation Centre, a provision was made for an additional ice surface in the form of the Ice Kube system which is under the sports field at the MRC. This provides a future option to consider based on analysis of need in the community
- The Maitland Recreation Centre (MRC) was opened in 2004 and has an NHL size arena and many other amenities. It is the main recreational facility in Town.

This facility will also require investment as it ages and will compete for recreation resource allocations.

All of which is respectfully submitted,

*Larry McCabe*

Memo Reviewed by:

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|-----------------|----------------------------------|
| Deanna Hastie   | Treasurer                        |
| Janice Hallahan | Clerk, Planning & HR Coordinator |