

NO: R092

COUNCIL DATE: June 5, 2023

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **June 1, 2023**

FROM: **General Manager, Planning & Development** FILE: **1220-030-2016-007**
Director, Strategic Initiatives & Corporate Reporting

SUBJECT: **Increase Scope of Work for Contract No. 1220-030-2016-007**
Cloverdale Sport & Ice Complex – Architectural Design and Construction
Administration Services for Addition of a Third Ice Sheet

RECOMMENDATION

The Planning & Development Department and the Director, Strategic Initiatives & Corporate Reporting recommends that Council:

1. Receive this report for information;
2. Increase the expenditure authorization limit for Contract No. 1220-030-2016-007 with Taylor Kurtz Architecture + Design Inc. in association with Rounthwaite, Dick and Hadley Architects Inc. (“TKA+RDH”) by \$1,684,659.90, from \$2,629,066.65 to \$4,313,726.55 (including GST) for the Cloverdale Sport & Ice Complex;
3. Set the revised expenditure authorization limit for Contract No. 1220-030-2016-007 at \$4,850,000.00 (including GST and contingencies); and
4. Authorize the General Manager, Planning & Development to execute Contract No. 1220-030-2016-007.

INTENT

The intent of this report is to obtain Council approval to increase the expenditure authorization limit on Contract No. 1220-030-2016-007 with TKA+RDH for the architectural design and construction administration services related to the addition of a third National Hockey League (“NHL”) sized ice sheet to the Cloverdale Sport & Ice Complex (the “Project”).

BACKGROUND

As part of Corporate Report No. R035; 2022, a copy of which is attached as Appendix “I”, Council awarded TKA+RDH the architectural design and construction administration services related for two NHL sized ice sheets, seating for 200 spectators per sheet, multi-purpose and community rooms, meeting rooms, officials’ rooms, change rooms, and other supporting amenities at the Cloverdale Sport & Ice Complex in the amount of \$2,629,066.65.

As part of the 2023 Five-Year (2023-2027) Financial Plan – Capital Program, the Project was increased from two NHL sized ice sheets to three NHL sized ice sheets.

DISCUSSION

TKA+RDH's performance has been satisfactory, and it is now recommended that the contract with TKA+RDH be extended to include the architectural design and construction administration services related to the addition of a third ice sheet to the Project.

TKA+RDH's fees for the required services are consistent with the original fees structure that were established through a competitive procurement process. The fees include the development of various schematic options and construction services for the most expensive schematic option likely to be constructed. The fees are also based on construction and contract administration beginning in September 2025. Depending on the schematic option selected, and if there is the ability to start construction before September 2025, the total cost of this Contract will not be realized.

Project Schedule

Construction is underway on the first two ice sheets as illustrated in the site photo attached as Appendix "II". Pile foundations are to be completed later this month followed by forming, rebar and concrete works, and installation of the prefabricated steel structure. It is anticipated that the two ice sheets will be ready for use in September 2024.

Construction of the third ice sheet is expected to commence in Fall 2025, following the completion of the lease agreement for the use of portions of the Cloverdale Fairgrounds for film production purposes (Superman & Lois Smallville Set) as approved by Council as part of Corporate Report No. R131; 2020, a copy of which is attached as Appendix "III". While the lease is not scheduled to end until September 30, 2025, staff are continuing discussions with the lessee to identify opportunities that will allow for construction of the third sheet to start sooner. With construction of the third sheet commencing in Fall 2025, it is expected that the third sheet will be ready for use in Summer 2027.

FUNDING

Funding for this Contract is available within the approved 2023 Five-Year (2023-2027) Financial Plan – Capital Program.

Original signed by
Don Luymes
General Manager, Planning & Development

Original signed by
Jeff Arason, P.Eng.
Director, Strategic Initiatives & Corporate Reporting

Appendix "I" Corporate Report No. R035; 2022
Appendix "II" Site Photo
Appendix "III" Corporate Report No. R131; 2020



CORPORATE REPORT

NO: R035

COUNCIL DATE: February 14, 2022

REGULAR COUNCIL

TO: Mayor & Council DATE: February 10, 2022

FROM: Acting General Manager, Planning & Development FILE: 1220-030-2016-007

SUBJECT: Increase Scope of Work for Contract No. 1220-030-2016-007
Cloverdale Sport & Ice Complex –Design and Construction Administration
Services

RECOMMENDATION

The Planning & Development Department recommends that Council:

1. Receive this report for information;
2. Increase the expenditure authorization limit for Contract No. 1220-030-2016-007 with Taylor Kurtz Architecture + Design Inc. in association with Rounthwaite, Dick and Hadley Architects Inc. (“TKA+RDH”) by \$1,502,311.65 from \$1,126,755.00 to \$2,629,066.65 (including GST) for the Cloverdale Sport & Ice Complex;
3. Set the revised expenditure authorization limit for Contract No. 1220-030-2016-007 at \$2,900,000.00 (including GST and contingencies); and
4. Authorize the General Manager, Planning & Development to execute Contract No. 1220-030-2016-007.

INTENT

The intent of this report is to obtain Council approval to increase the expenditure authorization limit on Contract No. 1220-030-2016-007 with TKA+RDH for the architectural design and construction administration services related to the Cloverdale Sport & Ice Complex (the “Project”).

BACKGROUND

On June 28, 2021, Council approved the re-engagement of TKA+RDH for Contract No. 1220-030-2016-007 to complete the design and commence construction of the Cloverdale Sport & Ice Complex (Corporate Report No. R129; 2021 attached as Appendix “I”), as part of the Five-Year (2021-2025) Financial Plan – Capital Program outlined in Corporate Report No. Foo2; 2020. Being part of the Surrey Invest Program, the Cloverdale Sport & Ice Complex will provide two ice sheets with spectator seating supporting amenities space and site development to accommodate the need for a community ice arena in the City.

Following the Contract award, TKA+RDH, in collaboration with City staff and stakeholders, conducted further design and cost analysis with the intension to reduce construction costs that have been significantly impacted by the current market economy and cost escalation. In addition, the design analysis included shifting the building site to accommodate the Warner Bros movie production set and lease area, described in further detail below, and exploring the potential for reducing the footprint of the proposed development, while optimizing the overall Cloverdale Fairgrounds land usage. As a result, additional effort is required from the TKA+RDH to complete the design and construction administration services.

The additional services include providing few modified design concepts for the arena facility, value engineering, an updated site layout to accommodate current site conditions, and optimize land usage. The modified concept will result in a more efficient facility with simpler structure and access. The arena facility will be energy efficient and designed to accommodate a potential future addition of a third and fourth ice sheet should they be required to meet demand.

DISCUSSION

The Cloverdale Sport & Ice Complex will accommodate the community's needs for ice sports and programming, offering ice hockey, figure skating, public lessons, skating sessions, and dry-floor summer use for sports, such as lacrosse and ball hockey.

The Project includes site development that consists of a new roadway extension with related engineering utility services, onsite parking, construction, and landscaping interfaces to support the building and compliment the adjacent park spaces. The offsite scope is being tendered now with the intension to start construction in March 2022 with completion in early Summer 2022.

The original design of the arena building was developed in 2017-2018 with the intention to have a strong architectural presence along 64 Avenue. As such, the configuration of the arena building was basically a long rectangular shape with the two ice sheets placed in tandem with full height glazing fronting 64 Avenue. The facility layout and configuration were possible at the time due to availability of land; however, since the Project was paused in November 2018 as part of the City's capital budget review process, a portion of the land on the east side of the proposed site with access to 64 Avenue was leased to Warner Bros for their movie productions in Summer 2019. This resulted in reducing the available land for the Project. It is to be noted that the Warner Bros lease agreement has economic benefit to the City.

To accommodate Warner Bros movie production operations setup and to avoid encroachment into their leased area, City staff, in collaboration with the consultants' team, explored various options for repositioning the arena facility on the available land utilizing the original design and configuration. Various site testing studies and value engineering were conducted to reduce the overall footprint of the arena facility while maintaining the original programs and optimizing the available land. The outcome of those studies and analysis indicated that the most feasible design option is to reconfigure the arena building to be more compacted with the two ice sheets side-by-side instead of being in tandem, as per the original design concept and to shift the building to the east towards the new roadway. The new arena building configuration and design will result in a smaller overall footprint for the development, simpler structure, less costly, and operationally more efficient. Designing the arena facility with the new configuration requires additional effort and coordination from the consultant's team.

TKA+RDH's fees for the required services are consistent with the original fees structure that were established through a competitive procurement process.

Timeline for the Project

Design advancement for the Project will commence immediately upon approval from Council and execution of a revised Contract, followed by a Building Permit submission, and the construction procurement process. It is estimated the project will be completed in early 2024.

FUNDING

Funding for this Contract is available within the approved 2022 Five-Year Financial Plan – Capital Program (Parks, Recreation & Culture Services Capital budget).

SUSTAINABILITY CONSIDERATIONS

The Project supports the objectives of the City's Sustainability Charter 2.0. In particular, this project relates to the Sustainability Charter 2.0 themes of Built Environment and Neighbourhoods, and Infrastructure. Specifically, they support the following Desired Outcomes ("DO"):

- Buildings and Sites DO11: Surrey is at the forefront of sustainable and restorative building design and technology;
- Buildings and Sites DO13: Buildings are healthy and energy and resource efficient;
- Buildings and Sites DO15: All new buildings, public places, and outdoor spaces are welcoming. They are safe and universally accessible;
- All Infrastructure DO1: City facilities and infrastructure systems are well managed, adaptable, long lasting, and are effectively integrated into regional systems; and
- Energy and Climate DO10: Buildings in the community are energy-efficient and offset energy use with onsite energy generation.

CONCLUSION

Based on the above discussion, it is recommended that Council approve the increasing this expenditure authorization limit for Contract No. 1220-030-2016-007 for Cloverdale Sport & Ice Complex.



Ron Gill
Acting General Manager,
Planning & Development

AA/cc

Appendix "I" – Corporate Report No. R129; 2021

APPENDIX AVAILABLE UPON REQUEST.

Site Photo – May 15, 2023



APPENDIX "III"



CITY MANAGER'S DEPARTMENT CORPORATE REPORT

NO: R131

COUNCIL DATE: Sept 14, 2020

REGULAR COUNCIL

TO: Mayor & Council DATE: September 10, 2020

FROM: General Manager, Engineering FILE: 2240-20/C
General Manager, Parks, Recreation & Culture
General Manager, Finance

SUBJECT: Use of Portions of the Cloverdale Fairgrounds for Film Production Purposes
(Superman & Lois Smallville Set)

RECOMMENDATION

The Engineering Department, the Parks, Recreation & Culture Department, and the Finance Department recommend that Council:

1. Receive this report for information;
2. Subject to consideration and approval by Council of a Temporary Use Permit ("TUP"), approve the execution by the Mayor and the City Clerk of a tripartite licence agreement for 17848 - 64 Avenue (PID#: 011-105-119) and a portion of 17835 - 62 Avenue (PID#:007-557-035) and a portion of 17763 - 62 Avenue (PID#: 007-559-909) between Manly Shore Production Services Inc. ("Manly"), the Lower Fraser Valley Exhibition Association (the "Association"), and the City, for a term of 27 months commencing October 1, 2020 to coincide with the expiry of the current Operating Agreement with the Association, being December 31, 2022; and
3. Subject to consideration and approval by Council of a TUP, approve the execution by the Mayor and the City Clerk of a lease agreement for 17848 - 64 Avenue (PID#: 011-105-119) and a portion of 17835 - 62 Avenue (PID#: 007-557-035) and a portion of 17763 - 62 Avenue (PID#: 007-559-909) between Manly and the City for a subsequent term of up to 33 months commencing January 1, 2023.

INTENT

The purpose of this report is to provide an overview of a proposed use of portions of the Cloverdale Fairgrounds for film production purposes for a total of 5-years (60 months), subject to the approval and issuance of an initial 3-year TUP, with the remaining period of a 5-year lease being subject to the renewal of the TUP for a further 3-year period. This report also seeks Council's approval to enter into a licence agreement and a lease agreement (collectively, the "Agreements") with the Association and with Manly.

BACKGROUND

Manly, being a subsidiary of Warner Bros. Entertainment Inc. ("Warner Bros."), is proposing the use of portions of the Cloverdale Fairgrounds, as illustrated in the attached Appendix "I", for a Superman & Lois Smallville Set as illustrated in the attached Appendix "II". While the lands comprising the

Cloverdale Fairgrounds are owned by the City, the proposed areas of the Cloverdale Fairgrounds being requested for use for the Superman & Lois Smallville Set are areas contained within the current Operating Agreement with the Association as illustrated in the attached Appendix "III". The current Operating Agreement expires on December 31, 2022, as noted in Corporate Report No. R176; 2019, attached as Appendix "IV".

The Association has been in discussions with movie industry representatives during the last several years. Warner Bros. scouted the Cloverdale Fairground lands for their intended use a little over a year ago and in early July 2020 confirmed to the Association their interest in being located at the Cloverdale Fairgrounds. From the onset, the Association has maintained dialogue with Warner Bros. to ensure that the production arrives within the City. The Association is highly supportive of the prospect of a Superman & Lois Smallville Set at the Cloverdale Fairgrounds.

The existing zoning bylaws for 17848 - 64 Avenue, 17835 - 62 Avenue, and 17763 - 62 Avenue do not specifically permit the intended use as "film production and associated truck and trailer parking" and therefore the sub-lease and lease as contemplated in this report require Council to separately consider the merits of a TUP for the intended use. Therefore, staff will be submitting a separate TUP application for Council's consideration concurrently with this report.

DISCUSSION

The Cloverdale Fairgrounds serve as a venue for community celebrations, festivals and local community programs, and agriculturally focussed exhibitions. Due to the onset of COVID-19 many of these venues have been either cancelled or deferred, which in turn has created financial ramifications. The use of portions of the Cloverdale Fairgrounds for the purpose of film production will assist in alleviating the current financial constraints as well as providing a very high-profile venue for the community of Cloverdale. Additional benefits to the City include the provision that during major scheduled events Manly will coordinate with the Association to free up portions of the licence/lease areas for the benefit of the public, including scheduling active filming outside of the duration of the Cloverdale Rodeo & Country Fair event. Manly will provide escorted walking tours to attendees of the Cloverdale Rodeo & Country Fair. Executing the proposed Agreements at this time will also provide sufficient intervening time for the City and the Association to negotiate a further renewal of the Operating Agreement prior to its expiry on December 31, 2022, subject to City Council approval.

The proposed film production purposes and location will not impede the City's ability to deliver the future Cloverdale Sports and Ice Complex, should funding for this project become available, as the boundary of the future Cloverdale Sports and Ice Complex is located west of the Superman & Lois Smallville Set.

Current Operating Agreement

The current Operating Agreement includes the facilities and grounds illustrated in red hatching in the attached Appendix "III", and includes the Bill Reid Millennium Amphitheatre, Shannon Hall, Alice McKay Building, Agriplex, Show Barn, First-Aid/Washroom Building, Stetson Bowl, Cover-all Building, and Shops. The Operating Agreement provides for the Association to operate the Fairgrounds and buildings for cultural uses, recreational uses, community events, livestock shows and trade shows. The current operating agreement does not consider filming, and therefore a TUP is required.

Sub-Lease Agreement & Lease Agreement

The proposed Agreements, as described in recommendation #2 and #3 of this report, will facilitate the occupation of the Superman & Lois Smallville Set on portions of the Cloverdale Fairgrounds, as illustrated in the attached Appendices "I" and "II". As the issuance of a TUP is valid for a period of

3-years, the Agreements contain provisions that in the event a second 3-year TUP is not approved, the Agreements will expire at the end of the initial 3-year period.

Review by Legal Services

Legal Services has reviewed the proposed Agreements and has no concerns.

SUSTAINABILITY CONSIDERATIONS

The Cloverdale Fairgrounds serve as a venue for community celebrations, festivals and local community programs, and agriculturally focussed exhibitions. This venue supports the objectives of the City's Sustainability Charter 2.0. In particular, it supports the Sustainability Charter themes of Economic Prosperity and Livelihoods and Health and Wellness. Specifically, this supports the following Desired Outcomes ("DO") and Strategic Direction ("SD"):

- Economy - DO11: Food production and enterprises of all scales are an integral part of the economy.
- Wellness and Recreation - DO6: Residents participate in a wide range of recreation and leisure opportunities.
- Wellness and Recreation - SD8: Promote greater participation in all forms of recreation.

CONCLUSION

Based on the above discussion, it is recommended that Council approve the execution by the Mayor and the City Clerk of a tripartite licence agreement and a lease agreement as described in this report, subject to the issuance of Temporary Use Permit for the lands at 17848 - 64 Avenue, 17835 - 62 Avenue, and 17763 - 62 Avenue for a Superman & Lois Smallville Set.



Scott Neuman, P.Eng
General Manager, Engineering



Laurie Cavan
General Manager,
Parks, Recreation and Culture



Kam Grewal, CMA
General Manager, Finance

NR/ap/cc

- Appendix "I" - Aerial Photograph of Site
- Appendix "II" - Superman & Lois Smallville Set Renderings
- Appendix "III" - Map of Cloverdale Fairgrounds
- Appendix "IV" - Corporate Report No. R176; 2019