



Parks & Recreation Department

TO: Community Services Committee

SUBJECT: Beachway Park Pump House Update

Report Number: PR-9-13

File Number(s): 925-02

Report Date: February 1, 2013

Ward(s) Affected: 1 2 3 4 5 6 All

Date to Committee: February 27, 2013

Date to Council: March 18, 2013

Recommendation: Direct the Director of Parks and Recreation to undertake an RFP for the seasonal use of the Beachway Park Pump House and select a renter under the Director's signing authority limits.

Purpose:

- Address goal or action in strategic plan
 - Establish new or revised policy or service standard
 - Respond to legislation
 - Respond to staff direction
 - Address other area of responsibility
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Reference to Strategic Plan:

- Vibrant Neighbourhoods
 - Prosperity
 - Excellence in Government
 - N/A
1. Nurture an innovative business community and work with partners to create employment and lifestyle opportunities for people of all ages.
 - g) Ensure a welcoming, active and accessible waterfront.
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Background:

Pertinent Council Resolutions:

PR-29-12 (October 15, 2012)

Direct the Director of Parks and Recreation to solicit third party interest for the lease and operation of the Beachway Park Pump House as per the process outlined in Report PR-29-12.

Direct the Director of Parks and Recreation to expand the scope of the Pump House Lease RFEI to include food service operations as well any other retail or commercial operations that would provide complimentary services for Beachway Park. (PR-29-12)

SD-14-12 (April 30, 2012)

Direct the Director of Parks and Recreation to report back on the process and timing for issuing a Request for Expressions of Interest (RFEI) to attract a private sector retailer to lease the former pump house on the Beach. The aim is to provide additional food and beverage service to visitors to the Beach. The process should include recognition of the historic designation of the building, dialogue with neighbours and discussion around the costs associated with any renovations and upgrades to the building. (Councillor Rick Craven) (SD-14-12)

Discussion:

On October 15, 2012 Council approved a process for soliciting third party interest for the lease of the Beachway Park Pump House. The process involves two steps including an initial Request for Expressions of Interest “REI” followed by a formal Request for Proposals “RFP” subject to viability as determined through the REI process. Council were made aware of a number of technical issues that may impact this initiative. As per the direction, staff completed the REI process. This report provides a summary of the REI results, discussion of technical matters and suggested next steps for this initiative.

REI-12-01 Process Summary

The following process was undertaken for the REI:

Date Issued:	November 19, 2012
Date Closed:	December 13, 2012
Open House:	Nov 20 th 1pm-3pm and Nov 22 nd 10am-12pm
#Bid Takers:	16
#Submissions:	4
Advertising:	City web page, Biddingo, Burlington Post, Hamilton Spectator, Burlington Chamber of Commerce (web site and e-newsletter), Burlington Downtown (web site and e-newsletter)

REI-12-01 Proposal Summary

Four expressions of interest were received. The submissions show that there is interest for different types of uses including food/restaurant, retail and recreational services. Confidential Appendix A provides a summary of the business interests received. This information is proprietary in nature and therefore confidential. Staff feel that we received a reasonable response at this preliminary stage.

Technical Matters

The current Pump House septic system is not functional and beyond the point of repair. Staff investigated the possibility of constructing a new septic system that would tie into the adjacent Beach Pavilion septic system, which connects directly into the Skyway Sewage Treatment Plant via a dedicated force-main. Regional staff advise that this force-main can not accommodate additional flows therefore, connecting the Pump House is not feasible. Flows from the Pavilion force-main currently enter the Skyway Plant near the end of the treatment process, and additional flows would be problematic. The Region recommends waiting for the results of the Burlington Beach Master Plan and Servicing Study which will provide a comprehensive solution for sanitary services rather than proceeding on an ad-hoc basis. A Master Plan - Background Study update report is scheduled for April 2013.

Notwithstanding the above, the City may if it wishes pursue the installation of a new private septic system to accommodate the use of the Pump House subject to Conservation Halton approval. Options may include a holding tank for lighter retail uses, or a septic tile bed system for higher demand uses such as food service/restaurant uses. The City issues permits for septic systems with a capacity of up to 10,000 litres. The septic systems range in cost from \$5,000 to \$40,000.

Potential Options and Recommendation

Based on the information above, staff have considered the following options for moving forward with the Pump House initiative:

Option 1 – Status Quo. Continue to use building as storage. Wait for the outcomes of the park master plan and related studies to determine servicing provisions and best uses for the Pump House. Continue with building stabilization and restoration efforts to make facility more marketable in the future.

Option 2 – Interim Seasonal Use. Pursue a seasonal rental of the building (through an RFP) that is not dependent on water and sanitary service. Wait for the outcomes of the park master plan and related studies to determine servicing provisions and best future uses for the Pump House.

Option 3 – Pursue Long Term Lease. Continue to pursue a long term commercial lease of the building. Expedite building restoration work. Install a new septic system to meet the needs of the preferred proponent subject to Conservation Halton approval.

At this time, staff recommend proceeding with **Option 2** for the following reasons:

- Allows master plan studies to determine future servicing provisions and recommended uses for the Pump House that support overall park plans.
- Provides short term opportunity to animate the beach through a complimentary commercial use.
- Generates some revenue.

- Building restoration could resume during off season in order to prepare the facility for a long term lease.
- Building could potentially be offered on an “as is” basis with minimal renovations in order to accommodate a user as early as this summer.
- No long term commitment to affect future opportunities.
- A number of requests were received for beach programming and services last year. The Pump House may be suitable to support these types of business ventures under this approach.

Staff note the following issues with respect to Options 1 and 3:

- The beach area continues to grow in popularity and visitors expect some enhancements and new opportunities. Leaving the building dormant for another year as per Option 1 is not favourable from a public perception standpoint.
- Proceeding with Option 3 would mean investing in a new septic system. There may be a risk that a newly installed septic system may become redundant if a new municipal sewer system is built, thus wasting the investment. Conservation Halton approval is required. CH would also prefer to wait for the results of the area servicing study before proceeding with a potentially disruptive septic system installation on the beach. Septic systems on the beach are not ideal in terms of maintaining lake water quality.
- Proceeding with Option 3 would require a lot of preparation including extensive renovations and servicing works, a formal RFP process, development of a lease agreement and tenant improvements. A business would not be ready for summer 2013, thus missing the peak season.
- Proceeding with Option 3 may preclude opportunities and needs identified through the park master process for the use of the Pump House. Staff advise that there may be limited opportunities for constructing new buildings on the beach due to conservation regulations. Therefore the Pump House could be a rare building resource that could be used to support future park plans.
- A food service use for the Pump House may compete with the adjacent Beach Pavilion Snack Shop. The current pavilion concession contract extends to 2016.

Next Steps:

The following provides a summary of the next steps for this initiative subject to Council approval:

Item	Activity	Timeline
	Council approval of Report PR-9-13	March 18, 2012
1	Issue RFP for seasonal use	March 19 – April 9, 2013
2	Basic renovations by the City	March 19 – April 30, 2013
3	Director’s approval to award via signing authority	April 26, 2013
5	Rental permit Issuance	April 30, 2013
6	Tenant improvements and set-up	May 1 – May 31
7	Anticipated business opening	June 1, 2013

Financial Matters:

A total of \$62,000 is approved in the capital budget for pump house renovations (capital order MB0202). This money is generally meant to address:

- Masonry and foundation repairs
- Structural demolition (rear kitchen addition)
- Restoration of all windows and doors
- Interior removals/gutting (drop ceiling, outdated washroom, panelling)
- New hvac system and water heater
- Restoration of interior walls, ceiling, floor and millwork

**Additional funding would be required for a septic system*

Subject to Council approval, staff will proceed with some modest improvements to prepare the building for a seasonal rental. Once the rental period comes to an end, staff will resume restoration works. Revenue received from seasonal rentals will be accounted for in the Parks and Recreation Department Current Budget.

Environmental Matters:

The pump house is located within the “Dynamic Beach Regulated Hazard Area” as defined by Conservation Halton and is identified as an ESA (Environmentally Sensitive Area) and a Regional Waterfront Park under the Halton Region Official Plan. As such approvals are required by these agencies for the use of the building and any physical modifications to the building and site.

Communication Matters:

The RFP for seasonal use of the Pump House will be advertised through local papers, the City’s web site, BIDDINGO, the Chamber of Commerce and Burlington Downtown.

Conclusion:

The Burlington Beach Pump House is an underutilized city building. A recent REI shows that there is interest for a variety of uses of the Pump House. Currently, the building does not have a functional septic system. The Region rejected the idea of tying a new septic system for the Pump House to the existing Beach Pavilion septic system, which connects directly to the Skyway Sewage Treatment Plant. Based on the recommendations of the Region, staff feel it would be prudent to wait for the results of the Beach Area Servicing Study and Beachway Park Master Plan which will determine future servicing provisions and recommended uses for the Pump House integrating with the overall park plans. However, in the interim, staff recommend pursuing a seasonal use of the Pump House that is not dependent on water and sanitary services. Staff will proceed with restoration activities in a phased approach to prepare the Pump House for a future lease opportunity.

Respectfully submitted,

Jim Seferiades
 Planner – Business Services
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Appendices:

A. CONFIDENTIAL – REI SUMMARY
B.

Notifications:
 (after Council decision)

Name	Mailing or E-mail Address

Approvals:

*required _____ _____ _____ _____
 *Department City Treasurer General Manager City Manager

To be completed by the Clerks Department	
Committee Disposition & Comments	
	01-Approved 02-Not Approved 03-Amended 04-Referred 06-Received & Filed 07-Withdrawn
Council Disposition & Comments	
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