

ITEM	9
MANAGER'S REPORT NO.	11
COUNCIL MEETING	89/02/06

RE: DEVELOPMENT OF RIVERWAY GOLF COURSE

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Recreation & Cultural Services be adopted.

* * * * *

1989 FEBRUARY 01

TO : MUNICIPAL MANAGER
FROM : DIRECTOR RECREATION & CULTURAL SERVICES
RE : **DEVELOPMENT OF RIVERWAY GOLF COURSE**
PURPOSE: To obtain Council's approval of a development process for the Riverway Golf Course.

RECOMMENDATION:

1. THAT approval in principle be given to the development process for Riverway Golf Course outlined in this report.

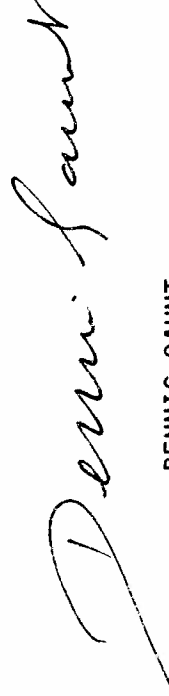
REPORT

At its meeting of 1988 December 12 Council received Item 05 of Municipal Manager's Report #77 providing information regarding the placement of fill in the Big Bend Area to advance industrial and recreational development objectives.

Arising from discussion Council referred this matter to staff for a report regarding a "fast track" approach to the construction of the Riverway Golf Course.

The attached report received by the Parks & Recreation Commission at its meeting of 1989 February 01 provides a suggested development process which results in the first 9 holes and a clubhouse being opened in 1992.

The Commission approved the recommendations of the report.



DENNIS GAUNT
DIRECTOR RECREATION &
CULTURAL SERVICES

PAL:jel
Attach.

cc: Director Finance
Director Engineering
Director Planning & Building Inspection
Municipal Solicitor

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DIRECTOR'S REPORT NO.

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COMMISSION MEETING

89 02 01

RE: RIVERWAY GOLF COURSE

RECOMMENDATIONS:

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1. THAT the expenditure of \$90,000 from the Riverway Land Development (General) Reserve be approved to permit further advance work on the Riverway Golf Course.
2. THAT Council be asked to approve the contents of this report in principle.

REPORT

SUMMARY

This report addresses the following points:

1. The timing and financing of the construction of the full 18 hole golf course.
2. The separate timing and construction of the first 9 holes.
3. The timing and construction of the golf Clubhouse.
4. The use of fill for the Riverway Golf Course lands and Municipal industrial lands.
5. The relationship of this project to the Municipal Capital priority process.

The report concludes and suggests that:

6. The full golf course be construction by municipal forces at an estimated capital cost (excluding Clubhouse) of \$3,378,000 (first 9 holes \$2,384,000 plus second 9 holes \$994,000) to be completed by 1996.
7. Of this the first 9 holes including driving range be fast tracked and constructed by municipal forces at an estimated cost of \$2,384,000 to be completed by 1992.
8. The Clubhouse be constructed in time for the opening of the first 9 holes in 1992 at an estimated capital cost of \$2,040,000 and that a further report be brought back in the fall of 1989 with more detail on the options for its construction.
9. The Corporation continue to support the filling of industrial lands with high grade fill with certain amounts of that fill to be shared with the Riverway Golf Course site for specific purposes.
10. This report be approved in principle. It will then be worked into the Municipal Capital priority process that will take place over the next few weeks.

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BACKGROUND

Council, on 1988 December 12 received the Municipal Manager's Report No. 77, Item 05 providing information regarding the placement of fill in the Big Bend Area to advance industrial and recreational development objectives. This matter was referred to staff for a further report regarding a 'fast track' approach to the construction of the Riverway Golf Course.

The following report examines this proposal and concludes that certain quantities of fill which is of an industrial nature can be redirected to the golf course site thereby facilitating the initial development of a 9-hole course. It is also recognized that it will be possible to allocate fill materials on an equitable basis in the further development of the second 9-holes to accelerate development.

Filling of the Riverway Golf Course is being carried out by a soils/peat producing company, Marmax Holding Ltd. Marmax has just under five years (October 1993) remaining in its contract with Burnaby. Through this contract, it is estimated that Burnaby could receive revenue in excess of \$2,000,000 cash, plus 120,000 yards of topsoil valued at approximately \$1,000,000. At the present rate of filling, it is expected the site will be completely filled by the end of Marmax's contract. It is primarily the availability of free fill from the private sector that will ultimately dictate this.

The filling of this site is being carried out in a manner prescribed by a Geotechnical Engineer who is retained by the Corporation on an ongoing basis and called upon as required.

The volume of available fill is the primary factor dictating the rate of filling; however, several other factors also dictate the amount of time that this filling must take. The sensitivity of the saturated organic structure of the soils underlying this area often requires precautions which can necessitate delays of several months between the placing of lifts of fill.

A particular concern is the perimeter of the site along Marine Way, the railway tracks, and the newly constructed Byrne Creek. Fill placed too quickly and improperly in these areas could push these bordering structures out of line.

PROPOSAL

The present demand for golf courses has prompted the Commission to look for a means of speeding up construction of the Riverway Course. Our original intent of filling the entire site and completing construction for 1996 has now been reassessed and the possibility of completing 9 holes, the Clubhouse, Pro Shop, Driving Range and Parking Lot could be attainable by the spring of 1992, assuming the following:

1. That the volume of available free fill remains constant.
2. That no unforeseen ground failures or settlements occur.
3. That funding will be available.

In order to achieve the spring 1992 completion date for the first 9 holes, the necessary activities would be scheduled as follows:

1989

- Finalize and approve design of golf course.
- A start on excavating lakes and creeks - utilization of these onsite excavations will assist in completing the filling required for the first 9 holes.
- A start on rough grading - to be carried out around Marmax's present work area.

- The preloading of an area at the west end of the property in preparation for relocation of Marmax's work area.
- Decisions finalized regarding size and funding for Clubhouse/Pro Shop.
- Start designs on the Clubhouse, Pro Shop Driving Range and Maintenance Yard.

1990

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- Marmax's work area relocated to the west end of the property.
- All of Marmax's stockpiled soil removed from the present area.
- Complete rough grading.
- Complete lake and creek excavations.
- Preload green and tee areas.
- Collect geotechnical information on foundation requirements for Clubhouse, Pro Shop and Driving Range bays.
- Spread top soil over fairways and areas to be planted with trees.
- Complete tree planting.
- Remove preload and excavate in preparation for green and tee construction.
- Award contracts for construction of buildings.
- Start Works Yard set up.

1991

- Complete construction of greens and tees.
- Complete construction of Clubhouse, Pro Shop, Driving Range and Parking Lot.
- Finish creek and lake sides and bottoms.
- Install irrigation and necessary drainage.
- Shape and seed fairway aprons and rough areas.
- Construct sand traps.
- Complete Works Yard set up including fencing and landscaping.
- Initiate maintenance in preparation for 1992 opening.

The \$90,000 recommended for expenditure is for initiation of the aforementioned necessary activities in 1989.

The following possible options have been examined as ways to speed up the filling of the subject site. The cost and renegotiation implications of changing our present contract with Marmax Holdings Ltd. were seen to be undesirable.

1. Dredge Sand from the Fraser River

This not considered to be a viable alternative as the lower reaches of the river are depleted of sand as a result of recent dredging activity.

2. Direct the Metrotown Civic Square excavation material to the Golf Course site

As reported previously to Council, the consistent quality of this excavation material from the Metrotown area has, to date, had a greater Municipal value when used as industrial site fill and preload than for use at the Riverway Golf Course where, generally, fill of a much lower quality is quite acceptable.

With specific reference to the Metrotown Library and Civic Square excavation material, there are needs for some of this material at both locations. Certainly a portion of that material will not be suitable for industrial fill and will be directed to the golf course; the respective staff members from Parks and Recreation and Engineering will, without doubt, ascertain and agree on the appropriate distribution of it to each of the two sites.

3. Continue accepting all suitable fill but placing it directly over the peat

This would (depending on settlement) have the total area filled one year earlier thus possibly completing the full 18-hole Course in 1995. The loss in revenue to Burnaby would be considerable and it would require renegotiation of the current Marmax contract.

It should be noted that, when considering the benefits of establishing a single Municipal landfill site (i.e. the golf course), recognition must be given to the existence of private landfill sites which also compete for available fill. It is conceivable that haul distances to the golf course may be greater than these sites, in which case private concerns may opt to use these other sites.

CAPITAL COST ESTIMATES

Capital cost estimates have been worked out as follows:

a) First 9 holes	\$2,384,000 (see Attachment #1)
b) Completion of second 9 holes	\$ 994,000 (see Attachment #2)
SUB-TOTAL	----- \$3,378,000
c) Clubhouse and Pro Shop	\$2,040,000 (see Page 5)
TOTAL	----- \$5,418,000 =====

As outlined elsewhere in this report, it is proposed to include these cost estimates in the Corporation's Capital priority planning process and to bring back to the Commission at a later date some options for the development of the Clubhouse.

FINANCING

The 1988-1992 Capital Budget includes \$133,569 in 1988 for design and development of the golf course and \$300,000 in 1992 for the continuation of the development of the course. The total estimated cost at that time was \$3 million. (This did not include the Clubhouse). This report proposes advancement of the timing of the construction of the course to complete the first 9 holes by 1992 at an estimated cost of \$2,384,000. These estimates will be included in the 1989-1993 Capital Budget. About \$90,000 of funding is available from the Riverway Land Development (general) reserve which leaves a balance of \$2,294,000 to be funded from other sources.

The Parks staff have considered that leasing of the property for development by the industrial sector is inappropriate for this course because of the peat contract and the resulting staging of development.

The expenditure amount is too large to be taken from general revenue sources because of its large immediate impact on tax draw. The other main alternative is to borrow the funds externally or to appropriate the funds from our own capital reserves. It is considered more economical to use our own reserves because interest rates for debt repayment are less than in the commercial market. Projections made in 1988 based on that five year budget indicated there were sufficient capital reserves to finance additional expenditures of at least \$2 million. The funds appropriated from the capital reserves would be repaid over 20 years at prevailing interest rates, currently 8% and add about \$235,000 per year in debt repayment.

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It is recommended that the Commission authorize in principle the expenditure of \$2,294,00 for the construction of 9 holes of the Riverway Golf Course to be appropriated from Capital Reserves and subject to a full review of the Corporation Capital priority process.

CONCLUSION RE-FILLING MATERIALS

The Planning and Building Inspection and Engineering Departments have to date directed and will continue to direct to the golf course site all material of a quality more appropriate for use at that site rather than on industrial lands.

The Director Engineering has agreed that if quality fill is available at such time as we are building roads, the parking lot and possibly preloading for building construction, that it would be shared in an equitable manner with the Riverway Golf Course site for those purposes.

A very important point to note is that 1992 remains the earliest possible completion date for the first 9 holes regardless of the amount of fill available. A greater volume of fill would only allow a "fast-tracking" for the completion of the final 9 holes. Given this scenario, it is not unreasonable to continue to adhere to a course of action calling for a sharing of available excavation material between the two sites, based on a combination of need and the relative suitability of any specific material. As stated previously in this report, the appropriate staff members will be able to determine and agree upon an equitable distribution.

It is recommended that the basic golf course development be carried out by Municipal staff. The expertise of Les Furber (Golf Course Designer) would be sought as a consultant with respect to general course shaping and, more specifically, the final grading for greens and tees.

CONSTRUCTION OF CLUBHOUSE

An initial review would indicate that a clubhouse would be required of approximately 17,000 square feet to include a restaurant, lounge, coffee shop, banquet room, kitchen, service areas, public washrooms with optional showers, change facilities and locker space, and a pro shop from which to operate the course. Further detailed review is required.

Options are to have the pro shop built separately as at Burnaby Mountain Golf Course or to have the pro shop as part of the clubhouse. The Corporation could build the entire building and lease out the restaurant to the private sector. Private enterprise could build the entire building and lease the pro shop and public areas back to the Corporation. Either the Corporation or private enterprise could build the entire building with the other party providing up front capital costs for their portion of the square footage and joint use being worked out.

A broad brush estimated cost would be 17,000 square feet @ \$120 per square foot for an estimated cost of \$2,040,000. This would probably be shared between the fully public space and potential private enterprise space on a 30% / 70% split.

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Unless instructed otherwise, staff will review this further and come back to the Commission in the fall of 1989 with a proposal for the construction of the clubhouse including timing and funding.

NEXT STEP IN THE PROCESS

If the Commission and Council give approval in principle to the project and process as laid out in this report, then the next step will be as follows.

Over the next few months, the Corporation will be conducting its annual capital priority setting process as part of which the Director Finance will be providing a cash flow that will show the impact on future budgets of debt repayment and operating costs of the proposed capital projects. The Golf Course will be included in that process.

In the meantime, with the approval for expenditure of the existing \$90,000 some additional front end work can take place which will be of benefit to the future project and which will include working with the current peat contractor to ensure his cooperation in the shaping of lands that he leaves behind him in a manner suitable to accommodate the future course.

WJ:cs
Attachment (1)

cc: Director Finance
Director Engineering
Director Planning & Building Inspection
Municipal Solicitor

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ATTACHMENT #1

DEVELOPMENT OF RIVERWAY GOLF COURSE

ESTIMATES FOR

CONSTRUCTION OF FIRST 9 HOLES **143**

1.	Driving Range (2-Storey)	650,000
2.	Work Yard Set Up	110,000
3.	Parking Lot - (Gravel-Limestone) (includes lighting)	90,000
4.	Irrigation	200,000
5.	9 Greens @ \$25,000	225,000
6.	36 Tees @ approximately 3,000	108,000
7.	Shape, spread topsoil, seed and fertilize 9 fairways including roughs.	99,000
8.	Tree and shrub planting	90,000
9.	Drainage including lakes and creeks	115,000
10.	Consulting (entire course)	60,000
11.	Putting Green	40,000
12.	Fencing Nelson to Byrne on north & south sides	50,000
13.	Benches and signage	9,000
14.	Ball washers	2,200
15.	Maintenance Equipment	489,000

SUB-TOTAL -----
\$ 2,337,200

CONTINGENCY (2%) -----
46,800

TOTAL FIRST NINE HOLES =====
\$ 2,384,000 =====

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ATTACHMENT #2

DEVELOPMENT OF RIVERWAY GOLF COURSE

ESTIMATES FOR

CONSTRUCTION OF SECOND 9 HOLES

1. Blacktop parking lot and entrance road	\$100,000
2. Irrigation	140,000
3. 9 Greens at \$25,000	225,000
4. 36 Tees @ approximately 3,000	108,000
5. Shape, spread topsoil seed and fertilize	99,000
6. Tree and shrub planting	90,000
7. Drainage including creeks and lakes	115,000
8. Fencing Nelson to Glenlyon north and south sides	65,000
9. Benches and signage	10,000
10. Ball washers	2,500
11. West end washroom	20,000

SUB-TOTAL ----- **\$974,500**

CONTINGENCY (2%) ----- **19,500**

TO COMPLETE SECOND NINE HOLES ===== **\$ 994,000** =====

