



Agenda Report

March 8, 2010

TO: Honorable Mayor and City Council

THROUGH: Finance Committee (March 8, 2010)

FROM: City Manager and PCOC Chief Executive Officer

SUBJECT: REPORT ON POTENTIAL RENOVATION OF EXISTING ICE RINK FACILITY AND ALTERNATIVES TO PROVIDE AN ICE SKATING FACILITY

RECOMMENDATION:

It is recommended that the City Council:

1. Direct staff to develop a transition plan to close down the ice skating rink currently located at the Pasadena Convention Center; and
2. Direct staff to study the feasibility of converting the existing stressed membrane structure at the convention center to a new ice rink facility including the verification of construction cost estimates and constructability, as well as a financing plan and operating proforma and present a recommended strategy for operation and management of the ice rink.

ADVISORY BOARD RECOMMENDATION:

On February 24, 2010, the Pasadena Center Operating Company recommended that the City Council accepts the Stevens Engineering firm's review and evaluation of the existing ice rink facility located in the historic ballroom and approves the concept of exploring a potential reestablishment of a full- sheet ice rink in the PCOC Pavilion.

BACKGROUND:

On September 14, 2009 the City Council decided not to proceed with building a new ice rink in East Pasadena, however, the Council maintained a desire to keep ice skating in Pasadena. As an alternative, the City Council directed staff and the Pasadena Center Operating Company (PCOC) to examine the feasibility of renovating the existing ice rink located in the historic ballroom at the Pasadena Civic Auditorium and to evaluate the feasibility of the PCOC as manager of the ice rink. The goal is to determine if a viable solution can be identified that would keep ice skating at its current location for the next seven to ten years.

PCOC engaged Stevens Engineers, a firm specializing in ice rink renovation, engineering and design to undertake this study. The scope of their study was to review the condition of the mechanical systems (HVAC, Dehumidification), the ice system (rink floor, refrigeration system, dasher boards, resurfacers), and the overall condition of the building interior (floor structure, moisture damage, tenant improvements, code compliance and amenities).

Renovations to Current Rink:

Stevens conducted a detailed site survey of the existing rink, reviewed available plans and drawings and interviewed current ice rink operating staff. The Stevens' report (Attachment A) identified a number of concerns with the existing rink including an outdated chiller plant and ice floor system, insufficient HVAC and dehumidification, water damage to the wooden floor, potential environmental and accessibility deficiencies and a lack of standard ice rink amenities. Over the past 34 years there have been very few major improvements with the only notable improvement was towards upgrading and/or replacing part of the refrigeration equipment. The mechanical systems in the facility have exceeded their typical life expectancy of 25 years. The ice system was built using a direct refrigeration system which is now being phased out of the ice rink industry due to the large quantity of refrigerant they use and circulate in the rink floor or arena. The existing system uses R-22 refrigerant currently scheduled to be phased out by 2020 because of ozone depleting qualities.

The report recommends a new ice floor system including a refrigeration system, ice rink floor, chiller plant, dasher boards, a new dehumidification and HVAC system and the demolition and reconstruction of the existing tenant improvements in order to add and upgrade amenities and address any environmental or accessibility concerns. The budget for this work is estimated at \$3,758,100 and does not include the restoration of any of the historic features of the building such as windows, chandeliers, doors, etc.

Due to the size constraints of the building, the ice floor would still be significantly undersized and the amenities would be limited. These constraints would continue to detract from the value of the rink both as a business operation and as a recreation amenity for the city. The rink would also have to be closed for a significant period of

time to implement the improvements which would cause significant revenue losses and would not achieve the city's goal of providing uninterrupted access to skating for the community. This would also preclude the ability to restore and renovate the historic ballroom.

Based on the results of the Stevens report, staff will continue to work with them regarding the structural integrity of the ice rink. Specifically, what their recommendation is in regards to how long can the current ice rink operate in the ballroom given the problems that were identified in their study. Staff will seek to determine if it should transition out of this space in the next six to nine months or can we continue in this space until the end of the management contract.

Alternate Rink Development On-Site:

As an alternative to remaining in the ballroom location, Stevens was also asked to review the existing, large stressed membrane structure "East Pavilion" on the site to determine the viability of converting it into an ice skating rink. The PCOC owns the structure and because of its close proximity to the current ice rink, this was thought to be yet another viable alternative. Stevens conducted a detailed site survey of the structure and reviewed the plans and specifications. The report identified a number of positive opportunities to create a rink with a regulation sized ice sheet that includes the necessary amenities of a modern community rink. A layout of a proposed rink was provided (Attachment B). The garage structure appears to be sufficient to support the weight of the ice and the double walled, insulated structure would be suitable for ice installation. The structure is equipped with sprinklers, an emergency generator and life safety system. The existing modular restrooms are accessible and could be maintained for use.

The length of the structure would be extended by a minimum of twenty feet to accommodate the regulation 85' X 200' ice sheet. All necessary service spaces and amenities (offices, skate rental, team rooms, party rooms, storage, bleachers, etc.) would be built in the space around the rink from appropriate, durable materials. The HVAC system would be modified to include adequate dehumidification. An ice floor and dasher boards would be installed on top of the existing slab. A new, energy efficient chiller plant and resurfacing area would be installed and a new resurfacers would be purchased. The budget for this work is estimated at \$2,552,200.

Ice Rink Management:

The PCOC has reviewed the existing operation and researched ice rink operating standards and business plans from other community rinks. It is feasible that either a third party organization, or the PCOC, could manage the ice rink at the current East Pavilion site. The current management agreement goes until September 2011. In addition to managing and coordinating all activities at the site which would improve access, public safety and the customer experience, there may be other economies to

improve the operation and service. It should be noted that PCOC has expressed that they have no interest in operating the existing rink in its current condition but would be willing to manage it if moved to the East Pavilion

Rink Financing / Proforma:

The next step is to prepare a detailed proforma based on a five to ten year operations at the East Pavilion. Due to current economic conditions, neither the PCOC nor the City has the capacity to make large investments for a temporary location. It is anticipated that funding for the construction of a new rink may require some capital investments that could be repaid through rink operating revenues. Financing options may include commercial financing or Build America Bonds whichever is most cost effective.

COUNCIL POLICY CONSIDERATION

Continuing to offer ice skating in Pasadena maintains the quality of life as well as offer recreational sport.

ENVIRONMENTAL ANALYSIS:

If it is determined that the alternate site of the East Pavilion provides the best option for continuing ice skating then the necessary environmental analysis will need to be undertaken.

FISCAL IMPACT:

Given the current budget conditions for the City of Pasadena, operations of an alternative ice rink cannot impact city funds. Currently the PCOC generates approximately \$200,000 in rental revenue annually from the East Pavilion and \$100,000 from the ice rink.

Respectfully submitted



MICHAEL J. BECK
City Manager



MICHAEL ROSS
Chief Executive Officer
Pasadena Center Operation Company

Attachments:

Attachment A – Pasadena Ice Skating Center – Evaluation Report
Attachment B – Proposed Ice Arena Floor Plan