



Canad Inns Stadium

Update of January 2008 Briefing Document on Structural Condition and Required Remediation
December 1, 2009

Background

Creswin Properties Inc. has requested an update of the briefing document issued by Crosier Kilgour & Partners Ltd. (CKP) on January 15th, 2008. The 2008 CKP document discussed the general condition of the Canad Inns Stadium, identified macro-scale facility deficiencies, and provided an opinion of probable costs to address these deficiencies. In addition, order of magnitude costs were put forward to address functionality, service, and amenity deficiencies. The 2008 document, which assumed that the facility would remain operational for a 10 year period, was informed by three reports previously issued on the facility:

- ***Canad Inns Stadium Structural Steel Inspection*** issued by Canadian Structural Inspection Services (CSIS) in October, 2007 and prepared for the Winnipeg Football Club;
- ***Destination Complex Feasibility Assessment Final Report*** issued by Meyers Norris Penny (MNP) in February, 2006 and prepared for the Winnipeg Football Club along with the Red River Exhibition Association; and
- ***Canad Inns Stadium Building Condition Assessment Draft Report*** issued by Tower Engineering Group (TEG) in December, 2003 and prepared for the City of Winnipeg.

The scope and purpose of these three documents were significantly different than the 2008 CKP briefing document.

The CSIS document provided the results of a technical inspection of representative structural steel connections within the stadium, which while relevant, is highly limited in scope compared to the current exercise. This technical inspection is carried out periodically to ensure that select highly-stressed members within the complex continue to perform adequately.

The MNP study was commissioned to determine the feasibility of constructing and operating a state-of-the-art "Destination Complex." This Complex would incorporate a new home for the Winnipeg Blue Bombers, along with world-class exhibition/trade show space, and potentially a hotel and water park. While the MNP report included a structural assessment of the existing Canad Inns Stadium and provided an opinion of refurbishment costs of the existing facility, the study focused on the development of an economic model for a new multi-purpose/multi-owner complex. No consulting engineering firms were identified as contributing to the study.

The TEG study, which is now 7 years old, focused on the then-current condition of the facility, the level of code-compliance, and provided recommendations and associated costs for short to long term maintenance items. The stated purpose of the study was to provide The City of Winnipeg with information pertinent to a transfer of ownership of the facility. The focus of the TEG assessment was therefore more narrow, in comparison to the CKP review.

One final difference between the current CKP review and the three previous studies should be noted. All three reports are silent on one significant matter that is dealt with in our analysis, that being the addressing of code non-compliance issues.



This update maintains the assumption of a 10 year occupancy, however from an expenditure perspective, the focus regarding life safety and functionality deficiencies has shifted to a 2 to 3 year timeframe, to maintain the facility in an operational state.

In order to prepare the update, a walk-through review of the Canad Inns Stadium facility was conducted by the writer. In addition, maintenance records from the previous 5 years were discussed with site personnel, in order to identify recent expenditures, and provide a basis upon which projections could be made.

Before presenting updated expenditures, it should be stated that the principal conclusions of the previous reports remain valid; Canad Inns Stadium has suffered relatively widespread deterioration due to its age, is significantly deficient in terms of team/guest/operations amenities, is not currently code-compliant in certain life safety requirements, and provides a less-than-favourable fan experience.

Life Safety and Functionality Deficiencies

With regard to expenditures, the 2008 briefing document identified a cost of \$12,898,000.00 to address structural, mechanical, electrical, roofing, and site deficiencies.

In reviewing that briefing document, within the context of a 3 year expenditure period for life safety and functionality issues, the current probable repair cost is in the order of \$10,700,000.00, exclusive of professional fees and contingencies, broken down as follows.

- Structural repairs to roof areas, stands and amenity spaces\$2,300,000.00
There are numerous areas throughout the facility where exposure to the elements has caused advanced deterioration. Three principal conditions must be addressed: loss of strength, loose material in danger of falling, and tripping hazards. Since there is limited redundancy in the frames which comprise the structure, deterioration must be addressed diligently.
- Installation of joint sealant throughout lower east and west side stands\$500,000.00
Pervasive leakage occurs through a large number of joints in both stands, causing structural duress, disturbance of fans, and the permanent closure of concessions and amenity spaces by Health officials.
- Remediation of life safety issues, including pigeon control, handrail deficiencies in the north end zone bleachers, and site security\$600,000.00
Sanitary conditions within the upper deck public spaces are compromised and health conditions within the concessions are threatened by the presence of pigeons. Numerous tripping hazards and areas of water ponding exist throughout the walking spaces beneath the stands, triggering safety risks. Site security is routinely breached. Life safety incidences have occurred in the past, and vandalism continues to occur. Inadequate security increases the risk of vandalism and associated costs, and exposes the owner to heightened legal liability.
- Mechanical repairs to fire protection, plumbing, heating, and ventilation\$200,000.00
The mechanical system infrastructure is not extensive, however is original for the most part. Annual expenditures will increase over the ten year period, as plumbing systems fail at an accelerated rate. Reliance is placed on the 2003 TEG report, upon which the current cost is extrapolated.
- Electrical repairs to exit and emergency lighting, sports lighting, distribution, fire alarms, and communication systems.....\$3,700,000.00
The vast majority of the electrical and associated systems are original, and are significantly deficient. There is no redundancy in the system, and a blackout during an event could occur. Life safety issues result. Reliance is placed on the 2003 TEG report; upon which the current cost is extrapolated.



- Site repairs to paving and site amenities\$1,200,000.00
Numerous tripping hazards and areas of water ponding exist throughout the walking spaces beneath the stands, triggering safety risks. Asphalt capping is not an option, due to the number of existing elevations which must be matched. Due to the limited drainage that exists, additional site services would be required. The amount put forward does not include overall site repaving, which would presumably need to be completed after the 3 year expenditure period.
- Repairs to roof membranes.....\$2,200,000.00
Membrane failures are relatively widespread, and wind scouring now causes roof ballast to be deposited onto the playing surface. Reliance is placed on the 2003 TEG report; upon which the current cost is extrapolated.

The \$10,700,000.00 order of magnitude cost put forward is in November 2009 dollars, and as noted, excludes applicable taxes and professional fees. The cost is subject to design continuation and unforeseen circumstances discovered during the course of the work; a contingency is therefore recommended. Given the high level nature of this exercise, a 20% contingency would not be inappropriate. Coupled with a 15% allowance for fees and taxes, the overall life safety and functionality remediation cost would become \$14,445,000.00, to be expended over the next 2 to 3 years.

As noted in our 2008 briefing statement, the remediation will have only a measured effect on the typical fan's event experience. Once completed, fan experience will remain sub-par compared with more contemporary facilities. As an example, seating configurations will not be changed; clear row passage space of 300mm in both the east and west upper decks will remain below the current code-required 400mm.

Amenity and Service Deficiencies

Separate and apart from the life safety and functionality issues/remediation costs discussed above, the following facility upgrades were recommended in the MNP report, to address existing amenity and service deficiencies.

- Amenity upgrades to seating allowances, press facilities, food services, washroom capacity, guest support space, and improved seating access\$14,354,000.00
- Seating modifications to provide 20 guest suites, relocation of press facilities\$9,690,000.00

Updated to November 2009 costs, the total budget cost to address previously-identified amenity deficiencies becomes \$26,830,000.00, based on a monthly construction cost increase of 0.5%. This is at the low end of the 0.5% to 1.0% range of monthly cost increases currently being quoted by cost consultants for the Winnipeg market.

Code Compliance Deficiencies

As noted previously, all three reports are silent on one significant matter, that being the addressing of code non-compliance issues. The assumption that code non-compliance issues can be grandfathered is not necessarily reliable, particularly if they relate to public safety, and particularly if the facility is expected to remain operational for a 10 year period. In the context of a significant renovation to the facility, such as the \$26.83M amenity improvements described above, the Authorities Having Jurisdiction could require compliance to current codes. For some building components, modifications to comply with current codes would be very difficult and costly. Examples include the following.

- Vomitory spacing currently is 29 metres in both the east and west lower grandstands as compared to the current code maximum of 25 metres. The introduction of additional vomitories would result in a net loss of seats and would be costly.



- Combined exit width of stairs for the east lower stands is 15.24 metres; the required amount is 27.16 metres; this is a significant deficit. In the west lower stands, 17.47 metres is required; 15.24 metres is provided. Addressing the deficit would again be costly, however would be addressed through the introduction of additional vomitories.
- Exit width of aisles for the east and west lower stands is 1.22 metres; required width is 2.43 metres for the east lower stands and 1.59 metres for the west lower stands. The north stands are also deficient, albeit marginally; a width of 1.09 metres is provided versus a required width of 1.11 metres. Compliance with the current code would trigger loss of seating and costly structural modifications.
- Row spacing for the west, east and north stands is required by the current code to be a minimum of 760mm. The amount provided is 686mm. This deficiency, which has a direct effect on fan comfort, would not be able to be addressed practically.
- Clear row passage is required by current code to be a minimum 400mm. The west and east upper decks provide 300mm, which again has a direct effect on fan comfort. The deficit could not be addressed practically.

Budget costing to bring the structure into reasonable current code compliance has not been prepared to date. However, in order to provide some sense of code compliance costs, consistent with this high level evaluation, it is our opinion that an order of magnitude budget amount would be between \$8,400,000.00 and \$11,200,000.00, in November 2009 dollars. To be clear, these amounts are in addition to life safety, functionality, amenity, and service deficiencies identified previously.

Summary

A summary of expenditures, in November 2009 dollars, follows. Taxes, fees, and a contingency allowance are included in the life safety/functionality deficiency costs, however are excluded for the amenity, service, and code compliance deficiencies, since the actual scope of remediation is not sufficiently defined at present.

• Life safety/functionality deficiencies (immediate/short term expenditure).....	\$14,445,000.00
• Amenity and service deficiencies	\$26,830,000.00
• Code compliance deficiencies	<u>\$11,200,000.00</u>
Total Expenditure	\$52,475,000.00

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