

# renew | 20 22

Frequently Asked Questions

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## General Questions

### How did Renew '22 come to be?

- In 2019, Members were presented with Plan 2020, a proposal that included three major design elements. Although Members elected not to proceed with any of the three design elements, voting results indicated that the Food & Beverage renovation (Design Element 1) was most supported by the Membership (64% of voting Members voted in-favour of Design Element 1).
- Following the vote, a survey was conducted to better understand Members' responses to the proposal. While this survey indicated that the majority of Members were overwhelmingly supportive of an upgrade to our food & beverage facilities, there were four main themes in the feedback. This feedback has guided the development of Renew '22 and included:

Plan 2020 Feedback		Renew '22 Solution
Ongoing operating losses in food & beverage operations raised concerns that greater investments in food & beverage could equal greater losses.	→	The Board of Directors fundamentally agree that Hollyburn's food & beverage facilities are a value-added amenity, not a profit center; however, Management continues to find the balance between improving operational efficiencies to reduce costs while providing an exceptional private club experience.
Members were not in favour of the capital improvement fee. In fact, 83% of survey respondents stated they would have been in favour of Design Element 1 (the food & beverage renovation) if there was no capital improvement fee.	→	Renew '22 has eliminated the need for a capital improvement fee and will be financed strictly through traditional bank financing and using cash on hand. This is possible because the Club has a strong balance sheet and is now debt free.
Lack of confidence in the transparency and budget of Plan 2020.	→	Renew '22 has undergone two, third-party independent cost estimates to ensure budgeting reflects current construction industry costs.  A competitive procurement process was held for the project manager and will be held for design consultants, and general contractor.

		<p>The Renew '22 Special Board Committee has been involved in every step of the process.</p> <p>The Finance Committee has reviewed and approved the Renew '22 budget and financing model</p> <p>The F&amp;B Committee has endorsed the project and the Long-Range Planning Committee agrees that this project is necessary for the long-term success of the Club.</p>
<p>Members would like more consultation on the design elements of the project.</p>	<p>→</p>	<p>Members have been engaged through multiple surveys to understand their needs and preferences.</p> <p>A design sub-committee will be struck after a positive member vote once the project enters the detailed design phase.</p>

**Why now?**

- The Member surveys conducted in 2015 and following the Plan 2020 vote indicated that the elements in Renew '22 are the most critical improvements needed. At the heart of Renew '22 is the reimagining of our food & beverage offering, which is the element of the Club that touches all Members.
- Since those surveys were taken, Membership demand has grown, which means capacity in our food & beverage operations has become continually more challenged. We aren't meeting Member needs in our current situation. Our recent 2021 Member Satisfaction survey showed 58% of Members are unhappy with our current F&B operations, a statistic the Board and Management find unacceptable.
- 20% of Hollyburn Members are under the age of 16. The Club needs the right facilities to serve and engage this demographic. Relocating the administration offices upstairs (to the current Creekside Room location) gives us the perfect opportunity to give back 25% of prime-Club real estate to Members for improved youth space.
- Hollyburn is in a great financial position, making this a good time to invest in the Club's future. As of April 1, 2022, the Club is debt-free having paid off Plan 2007 in only 12 years, three years ahead of schedule. In addition, by the time construction is scheduled to begin, we will have an estimated \$5 million in cash.
- Construction costs and inflation are rising fast. Due to this, our independent cost estimator, BTY (a Quantity Surveyor) has estimated that project escalation will be

around 7% per annum. The sooner the construction begins, the more value the project will bring to the Club.

- This work is already overdue and would have begun sooner, if not for COVID-19.
- Some of the Club's critical facility infrastructure in the food & beverage areas are either end-of-life or require significant maintenance. Whether it's our roof, our mechanical systems, or our plumbing and drainage, these are not projects that can be put off and they will need to be addressed regardless. Repairing all of these will cost over \$4 million and will not improve any Member areas. Doing this work as part of the Renew '22 project enables us to conduct the work more efficiently and limit disruption by dovetailing it with the other renovation work.
- We know that there are many opportunities for potential upgrades around the Club. Once Renew '22 is approved, we can begin conceptualizing the next future capital project. The Club's Long Range Planning Committee has already commenced the Club's next long range planning cycle which includes the upcoming 5-15 years. This will ensure we are staying on top of future needs.
- By accomplishing the needs that Renew '22 sets out to accomplish, the Club is that much closer to addressing other facility needs, such as, and not limited to, increasing parking, and adding additional pickleball and tennis facilities.

#### **Why this and not an upgrade of other facilities?**

- The Member surveys we conducted in 2015 and following the Plan 2020 vote, indicated that the elements in Renew '22 are the most critical improvements needed. At the heart of Renew '22 is the reimagining of our food & beverage offering, which is the element of the Club that touches all Members.
- Since those surveys were taken, Membership demand has grown, which means capacity in our food & beverage operations has become continually more challenged. We aren't meeting Member needs in our current situation.
- Hollyburn prides itself on being a family club; however, our youth facilities are currently too small, outdated, inconvenient and not operationally efficient. Young families have spoken loud and clear that their needs are not being met and this Club renovations allows us to address their concerns.

#### **What facilities are being considered for future capital projects?**

- In the second half of 2022, the Club will conduct a Needs Assessment that will drive the Club's long-range plan for the next 5-15 years. More information will be coming on this later in 2022 and Members will be able to provide input through surveys, workshops, and focus groups.
- We know there are a number of other constraints at the Club that are outside the scope of Renew '22 that will need to be addressed in the future. The incredible growth of pickleball, tennis court demand, and parking availability are some

examples that will be carefully considered by the Board and Management during the Needs Assessment and the development of the Club's 5–15-year plan.

### **Are the sketches indicative of what the space will look like?**

- It's important to note that this project has not entered the detailed design phase. That work would follow a successful vote in June. As such, the sketches are purely schematic at this stage, and only intended to suggest the potential of the space. No decisions on finish or furniture have been made.
- The look and feel of the new restaurant will be based on Member-feedback. A Design Committee, composed of Members, the Renew '22 Committee and industry experts will help drive the design process to ensure it meets Hollyburn Members' expectations. A preliminary food & beverage preference survey has been created to gain Member feedback on how they envision the look and feel of future facilities – [click here](#) to take survey.

### **What infrastructure / systems will be replaced or upgraded in the proposed project?**

- Renew '22 will include: air handler replacements, roof renewals, envelope upgrades, and mechanical system replacements (plumbing and drainage) in our food & beverage areas.
- This work must be completed regardless of Renew '22 moving forward.

### **How is sustainability considered in the proposal?**

- Sustainability is an important consideration in this project. The project will take advantage of the various incentives available that would help us maximize energy efficiency and environmental sustainability. We will seek to strike a balance between maximizing sustainability opportunities, available incentives, and our budget.

## **Project Management and Oversight**

### **How is Renew '22 being governed?**

The project will be closely monitored by the Board of Directors. A Special Renew '22 Board Committee, made up of four Board members and two Members at large, has been formed to guide the project, to monitor progress and advise the Board. Currently, the Renew '22 Committee is chaired by a Board member with project expertise and is supported by fellow Board members with backgrounds in project and financial controls. The two Members at large respectively bring to the Committee depth in restaurant operations and renovations as well as project and construction management expertise.



The Club's General Manager, CFO, and Director of Operations are integrated into the Committees and attend all Renew '22 Committee meetings. They actively manage the project and the hired consultants and contractors on a daily basis. A professional project management firm, Make Projects, has been retained through a competitive process to provide project leadership throughout all phases of Renew '22. Make Projects has a successful track record in management of both public and private recreation and leisure facilities.

### **What is the Board's role in Renew '22? What is the Renew'22 Special Board Committee? Who is on this Committee?**

- The Board has the role for overall approval of Renew '22, oversight of project progress, and responsibility to the Members for investment success.
- To assist it in these responsibilities, the Board has formed a Renew '22 Special Board Committee to be advisors to the Board and Management.
- At the various phases of the project (detailed design phase, construction phase, etc.), the Board will seek to add Special Board Committee Members who have expertise and knowledge applicable to that phase.
- The Committee will include both Board Members and Members at large who have knowledge and experience that would be beneficial to this project.

### **How will the project be managed?**

The project management team includes:

- The **Project Manager** will be responsible for the day-to-day management of the project. In February of 2022, the Club issued a Request for Proposal for project management services for the Renew '22 project. Four proposals from qualified firms were received and the two shortlisted proponents were interviewed by the Renew '22 Special Board Committee and Management. The Renew '22 SBC recommended Make Projects be awarded the contract for Project Manager for the Renew '22 project. Currently the Club is only under contract up-until June with the option to extend should the project be approved by Member vote.
- The **Special Board Committee** will advise the Board and Management. The Committee will include both Board Members and Members-at-Large who have knowledge and experience that are beneficial to this project.
- Club **Management** will have responsibility for day-to-day oversight of the project team, while also ensuring that Members' experience and Club operations, programs, and services are disrupted to the least extent possible.

### **What processes and controls are in place to ensure the project gets delivered on time and on budget?**

- We have engaged a professional project management firm, Make Projects, to assist with delivering the project on time and within the set budget. Some of the tools this firm uses to assist in controlling cost and schedule are as follows:
  - Financial control by quantity survey estimates at 50%, 75% and 90%
  - Construction documentation and focused scope adjustments, if needed
  - Constructability audits
  - Tender audits
  - Drawing review
  - Project management tools
  - Schedule development and management
  - Risk management
  - Procurement strategies
  - Budget management

### **Who are key suppliers / contractors / partners in the project? What is the selection process?**

- At this point, only the Project Manager has been selected for the project.
- No other suppliers, contractors, or partners have been selected for the project. Eventually, this group would include the project manager, the primary design consultant, and the general contractor.
- Following a successful vote, the team would be selected through a new competitive procurement process that will be overseen by the Special Board Committee and Management.
- Surf Architecture developed the schematic design that is the basis of the Renew '22 proposal. They also provided these services in the development of Plan 2020, for which they participated in a competitive procurement process. By re-engaging them for the relatively small Renew '22 schematic design project, we were able to be cost and time-efficient when developing a reduced-scope, value-engineered Renew '22 plan. That schematic design project is now complete, and a new competitive procurement process will begin following a successful vote.

### **Who are Make Projects?**

- Make Projects is the Project Manager for Renew '22; they were selected through a competitive procurement process. Make Projects is a project management service provider specializing in owner side project management. They provide creative vision for project development and construction across the Commercial, Education, Health Care, Municipal, and Industrial sectors.
- Greg Scott will be the Club's primary contact at Make Projects as Project Manager. Greg has over 25 years of multi-discipline expertise and leadership in

project delivery of major civic infrastructure, including the Richmond Olympic Oval, where he was the project leader for both its construction and conversion after the 2010 Olympics. He is a professional engineer and certified LEED associate.

### **What is Hollyburn's track record with capital projects?**

- Hollyburn has an excellent track record with improvement projects. Some examples include:
  - Plan 2007 - \$17.5 M (new world class fitness centre, 25-meter pool, leisure pool, and parking lot). This project came in under budget.
  - Plan 2014 - \$4.7M (Bistro 950 renovation; men's and ladies' spa renovation; large ice rink and dressing room renovation; replacement of upper tennis bubble; indoor courts locker room; lobby renovation). This project came in under budget. Following the renovation, the Bistro enjoyed an 80% increase in revenue.
  - 2018 Improvements (addition of 34 parking stalls near upper tennis courts, construction of new tennis bubble and tennis washroom facility). This was delivered on budget and greatly reduced our tennis court and parking constraints. Additionally, tennis programming revenue increased 21% as a result.

## **Project Risk**

### **What risk is there to the Club if we DO NOT proceed with the project?**

- There are several risks currently identified on the Club's Risk Register that may increase in residual risk levels should a major infrastructure project not proceed, including:
  - Member dissatisfaction
  - Aging infrastructure
  - Newer and more attractive competitors (Delbrook, Harry Jerome and Lions Gate Community Recreation Centres)
  - Lagging behind industry trends/advances
  - Reduced entrance fee revenue
  - Attracting and retaining workforce
  - Loss of key staff
  - Failure to grow business operations

### **How is the Club mitigating risk if we DO proceed with the project?**

- Undertaking a large capital infrastructure project, such as Renew '22 has inherent risk. Below are the top identified risks and correlating mitigation strategies:
  - Escalation

- Market-driven escalation allowances
  - Quick decision-making process
- Project Oversight
  - Open procurement process
  - New project team
  - Renew '22 Committee involvement
- Scope and Budget Creep
  - Sufficient contingencies and escalation allowances
  - Establish budget and value engineer when necessary
  - Establish pricing check-points throughout design process

## Finance

### What is the cost of the project? How firm is this cost estimate?

- The estimated cost of Renew '22 is \$23.3M. The \$23.3M budget is the maximum amount Members will be authorizing for the project. We are committed to completing this project within the budget voted on by the Members.
- This budget includes design and construction contingencies to allow for budget changes as construction proceeds and as costs become more certain. An additional allowance of 7% per annum has been included for escalation leading up to construction tender. This allowance was recommended by BTY, the third-party quantity surveyor and is based on current and anticipated market conditions.
- To ensure the accuracy of the budget, an independent cost estimate has been completed by a third-party quantity surveyor, BTY, and cross-referenced with an initial construction budget provided by our project Manager, Make Projects. BTY and Make Projects used different methods of cost estimation for this process and still achieved very similar estimates (within 1%). This gives us a high degree of confidence that the provided budget is reasonable.
- At any point in the process, even after the Club has received approval from the Membership, the Club can value-engineer the project to ensure the project does not exceed the approved budget.

### Who is BTY?

- BTY provides Cost Management services to enable more effective Cost Planning, Cost Estimating, Project Controls and Change Management of a construction project over its entire development cycle. They provide cost estimates at key design stages as well as advise on constructability, escalation, contingency, cash-flow, and life-cycle costs to minimize risk and maximize project value. Their comprehensive database of materials and labour costs enables their accredited professionals to benchmark and market-test cost information based on geography, asset class, project type, cost premiums, trades availability and

market conditions. BTY's cost professionals are accredited members of Royal Institution of Chartered Surveyors, Canadian Institute of Quantity Surveyors, United States Green Building Council and Canada Green Building Council.

### **How will the project be financed?**

- The project will be financed through a combination of cash-on-hand (approx. \$5M at start of construction) and traditional bank financing (not to exceed \$20M).
- The bank financing will be serviced over the life of the loan by way of new membership revenue. The debt servicing model conservatively forecasts an average of 50 new regular memberships per year following construction.
- No capital improvement fee will be assessed to Members.
- A conservative financing plan was developed by the Club's CFO with guidance from the Club's Treasurer and Finance Committee.
- The Finance Committee was given access to the debt servicing model to run stress tests to ensure its feasibility.
- At their April meeting, the Finance Committee all agreed that the financing plan for Renew '22 is achievable and recommended financial approval of Renew '22 to the Board of Directors.

### **How has the financing model been stress tested?**

- The financing model has been created using conservative variables such as interest rates and forecasted membership sales. This is important as it enables the Club to ensure debt servicing is reasonably and conservatively achieved, even during potential unforeseen fluctuations in the economy.
- This approach was taken during Plan 2007 and the additional membership sales over and above the conservative financing model enabled the Club to not only pay off the Plan 2007 debt three years ahead of schedule, but also complete a number of large projects at the same time.

### **What is the Club's current financial situation?**

- The Club has been very effective at paying down debt over the past two years and was debt free on April 1, 2022.
- With no debt as of April 2022, we will be able to pay down the cost of Renew '22 as we have cash available. Plan 2007 was paid for in a similar way. That project was financed over 15 years but was paid off in roughly 12 years.
- Today the Club is in an even better financial position than it was when Plan 2020 was presented in 2019.
- By the estimated time of construction, the Club will have approximately \$5 million of cash on hand.

**Will Members be assessed a capital improvement fee for this project?**

- No. Due to the strong financial position of the Club, there is no need for a capital improvement fee.

**What if rising inflation or major delays in the construction industry increase the cost or timelines of this project?**

- Embarking on a project of this scale always includes some variability, but a contingency has been built into both the construction schedule and budget.
- We have checkpoints built into the project that would allow us to re-evaluate and initiate processes to make sure that we remain on track.
- To ensure the adequacy of the budget, an independent quantity survey has been completed by BTY and cross-referenced with an initial construction budget.
- In addition to both design and construction contingencies, we have included an escalation allowance in the construction budget which addresses inflation and volatility in the construction sector. This allowance is at a rate of 7% per annum.

**How did you come up with the rates for your escalation allowance? How does the proposed budget reflect the current global state of affairs?**

- We engaged BTY, a firm that provides registered professional quantity surveyor services to do a third-party analysis of the project budget. Based on the proposed construction schedule, their professional opinion is that an escalation rate of 7% per annum be included in the budget for this project.

**What would this project have cost to build in 2020?**

- Approximately \$20M

**How does Renew '22 affect the Club's financial position over the next 5-10 years?**

- A revitalized and renovated food & beverage offering would drive revenue - not only from existing Members who currently dine with us, but those who currently do not dine with us.
- The forecasts in our Food & Beverage business plan bear this out. In a realistic forecast scenario, the expanded and improved space would result in a 35% increase in revenues, which would enable the Club to greatly reduce the current rate of losses in food & beverage.
- In addition to the increased revenue, we will create operational efficiencies with a new kitchen. We will be able to produce more food, more efficiently, which will allow us to reduce labour costs back-of-house. This is a significant consideration as labour accounts for 70% of our operating costs. Reducing labour costs is key to operational efficiency.

## **Is the financial feasibility of the project contingent on Membership sales? What if Membership sales slow down?**

- Our budgeting is based on a conservative estimate of Membership sales. Moreover, we've seen that during past Club renovations, Membership sales have been stable and we're optimistic that this will remain true through Renew '22.
- The debt servicing model conservatively forecasts an average of 50 new regular Memberships per year following construction. In contrast, there have been, on average, 60 new regular Memberships per year over the last 10 years.
- The Club has a natural attrition rate of 50 Memberships per year which is offset by annual new Membership sales. Due to these factors, Member demographics have not changed over the past five years.
- Hollyburn has a commitment to continual improvement, and this value is key to attracting new Members and meeting the needs of our current Members. We need to make improvements to the Club in order to continue to attract new Members, the revenue from which allows us to make future improvements.

## **Long Range Planning Considerations**

### **How does Renew '22 meet the Club's needs now and into the future?**

- Our food & beverage facilities aren't meeting our Member needs. Our recent 2021 Member Satisfaction survey showed 58% of Members unhappy with our current F&B operations, a statistic the Board and Management find unacceptable. In addition, Management receives consistent feedback that we need increased seating capacity to meet demand during prime time.
- Some of the Club's critical facility infrastructure and systems in our food & beverage areas are either end-of-life or require significant maintenance. Whether it's our roof, our mechanical systems, our plumbing and drainage, or seismic structural upgrades, these are not projects that can be put off and they will need to be addressed regardless. Doing this work as part of the Renew '22 project enables us to conduct the work more efficiently and limit disruption by dovetailing it with the other renovation work.
- 20% of Hollyburn Members are under the age of 16. The Club needs the right facilities to serve and engage this demographic. Renew '22 will refresh, relocate, and centralize our youth facilities improving convenience and accessibility for families. Relocating the administration offices upstairs (to the current Creekside Room location) gives us the perfect opportunity to give back 25% of prime-Club real estate to Members for improved youth space. Centralized youth space will also allow our Youth Team to better service youth areas, increase youth supervision, and eliminate children running from one youth area to another.
- This project helps achieve Hollyburn's mission of being a "Club for Life" and vision to become Canada's premier private athletic Club.

- The food & beverage facilities that are being upgraded as part of the plan will benefit all Club Members, regardless of age or interest, as they are the social heart of the Club.

### **Does pursuing Renew '22 mean that the Club will not invest in Club facilities over the next 10 - 15 years?**

- No. The Club has an annual capital budget which is approved by the Club's Finance Committee each year. This has been considered in the financial modeling for Renew '22 and will allow for necessary facility upgrades and renewals.
- Renew '22 renovates a large footprint of the existing Clubhouse; therefore, accomplishes many of the replacements and renewals on our long-range capital plan.

### **If Renew '22 is approved, when will we be able to take on the next large capital project, such as expanded athletic facilities?**

- Over the next 12 months, the Club's Long-Range Planning Committee will be pursuing a Needs Assessment. This Needs Assessment will analyze industry trends, demographic shifts impacting the North Shore and Club programming data (wait lists, registration, etc.) to help shape the next 10-15 years at Hollyburn.
- The Renew '22 financing model indicates that we could take on an additional capital project of \$1 to \$2 million within 2 to 4 years after the completion of Renew 22. If new regular membership sales exceed the approx. average of 49 per year in the model, then we will have more resources for a larger capital project if needed.

## **Food & Beverage**

### **What is driving the food & beverage renovation?**

- Members have told us that Hollyburn's food & beverage facilities are not meeting their needs. Members have expressed dissatisfaction with the availability of seating, the speed of service, and the outdated atmosphere. We know that Members are not proud of the facilities, and therefore are not choosing the dining room as a destination restaurant, but rather just for convenience. We believe we can meet both needs with the Renew '22 project.

### **How are the current F&B facilities inadequate?**

- In the restaurant, there simply aren't enough seats to meet Member needs. We run out of tables every night and have to turn members away. Aesthetically, the dining spaces are showing their age, and we've heard that Members do not feel proud to bring guests to dine at the Club. Additionally, we are not taking full



advantage of one of the Club's amazing assets, our view of greater Vancouver. The layout of the revitalized space will maximize sight lines and views.

- The kitchens are not large enough to produce the volume of food that is ordered. The kitchen's small area means it can't produce food quickly enough to keep up with demand or offer the menu diversity expected by Members. This means slower service and frustrations for Members.
- However, speed of service is not the only issue. The kitchen's small size creates bottlenecks and inefficiencies resulting in increased labour costs. Equipment is not up-to-date and our kitchen is missing much of the technology common in a modern kitchen. An updated kitchen line using modern equipment will not be more efficient, but will enable improved food quality and consistency.
- Current kitchen facilities do not attract talent to Hollyburn; employees are frustrated with failing equipment and are not proud of their working environment. This is a critical issue to overcome in today's difficult labour market.

#### **When were the F&B facilities last updated?**

- The dining room had a facelift (carpets, tiles, and other finishes) in 2000.
- The kitchen has not been upgraded for more than 25 years.
- Restaurants are typically renovated every 7-8 years, meaning we are well overdue.

#### **How many new seats will be added to the Dining Room, Bar and Grill and Bistro?**

- It is important to preface this answer with the fact that these are estimated seating capacities and that the new seating capacities are hard to compare to our existing numbers. Restaurant consultants will be engaged to help design the floor plan of the new spaces; the new spaces will include an assortment of seating options from booths to high- and low-top tables. The current dining spaces predominantly only offer one type of seating option and our floorplans are not well thought out.
- The current Bar and Grill will become an expanded family dining section with 40 more seats than our current space.
- The current Dining Room will become the newly created adult dining area (19+, no exceptions) with over 50 more seats than our current space.
- The expanded patio will have 30 more seats that make the most of the Club's breathtaking views.
- The expanded Bistro will have room for an additional 38 seats.

### **Why do we need more seating in both the family dining and adult-only dining areas?**

- Member demand for seating exceeds the current dining room (family dining) capacity. Both the dining room and the bar & grill are at maximum capacity at least once per day, which means Members must wait or go elsewhere.
- Members who want an adult-only dining experience are frustrated that family dining encroaches into adult-only sections of the restaurant in prime-time.
- For example, between 3:30 - 4:30 every weekday, the Club provides programming to over 300 kids. At best, our current facilities can only service 50% of the families in the Club during that period - which is not even considering other Members in the Club. This is a missed revenue opportunity.

### **How was the decision regarding optimal size and seat numbers made?**

- To reduce costs, Renew '22 has a reduced scope and footprint from Plan 2020. Specifically, no major walls are being moved. The number of seats being proposed is the number that is possible when no major walls are demolished.
- The plan is to push the dining room footprint out to incorporate the existing patio space. The new patio will extend beyond that. The new seating capacity is based on the number of seats comfortably possible in this expanded space.
- During the detailed design phase of planning, restaurant consultants will help design the restaurant floorplans with an assortment of seating options.

### **Why do we need a new meeting room if we have the Creekside Room?**

- Our current meeting facilities don't take advantage of the Club's most important physical asset and differentiating factor - our breathtaking views of Vancouver.
- By creating a centralized youth facility in the current location of the Administration Offices, we can utilize the current Creekside Room location, a less desirable area of the Club, for the new, smaller, Administration wing. This flip of spaces allows us to move a new meeting room to the existing footprint of HollyVille and the Studio (beside the Bistro).
- There are also good practical reasons to relocate our Member meeting rooms. The new rooms will be located much closer to the kitchen. Currently, food has to be transported from the kitchen to the Creekside Room. This has not only labour cost implications, but also compromises safety and your Member experience. Moreover, the new room will reduce non-Member traffic through main thoroughfares of the Club.
- The new meeting room will be similar (2706 sq. feet currently vs 2820 sq. feet proposed) in size to our current Creekside Room and will be able to accommodate approx. 100 people.

### **Will Members be able to book a Member function/event during construction?**

- The good news is that our Creekside Room will be relocated and improved as part of this project and will result in a beautiful space for Members to host events in the future. During construction, our Creekside Room will not be available; however, we will be able to offer Members alternative spaces, such as the Virtual Sports Lounge or West Patio.

### **With a larger facility, will food & beverage lose more money than it currently does? Or is this an opportunity to move the operation closer to break even?**

- It's true that Hollyburn's food & beverage facilities operate at a loss, similar to most other private member clubs; it is important to note that Hollyburn's food & beverage facilities and services are operated as a value-added amenity, not as a profit centre. Operating F&B as an amenity is consistent with a premier private club experience – this means Members can get both breakfast at 7AM and a glass of wine at 11PM if they desire.
- That said, it does not mean that a larger facility means a higher loss. In fact, a large facility will enable us to reduce losses due to increased revenue opportunities as well as operational and labour efficiencies.
- A food & beverage business plan has been developed for this project that is fully supported by the F&B Committee. The forecast indicated that expanding food & beverage facilities would result in a 20% - 35% increase in revenues, resulting in a 35% - 55% reduction in losses.
- In addition, Management is always working to implement changes that improve operational efficiency, which could improve these numbers even more, all while improving the member experience.

### **What is Management doing to reduce food & beverage losses now?**

- Management is working on improving margins by increasing revenues. Engaging with Members, promoting food & beverage services and enhancing the quality and consistency of our menu offering are all strategies that are being used to achieve this goal.
- Management is also implementing initiatives to improve operational efficiency by reducing labour costs and reducing waste. All these initiatives are being done while improving the member experience.
- Hollyburn's food & beverage program is run as an amenity, not a profit centre; therefore, Management is tasked with balancing operational efficiency and the Member experience.

## Youth

### **How does centralizing youth facilities benefit Members?**

- By centralizing youth facilities, we are increasing Member convenience, safety, and accessibility.
- This location also allows for the construction of a brand-new outdoor playground, accessible to all Members, not just those in Hollyville.
- Centralized youth facilities will allow for increased operational efficiencies for our youth staff giving them more time to spend with our mini-Members.
- Expanding our youth facilities will allow our Youth Team to add new and additional programming to meet the needs of our youth population. This will help to alleviate waitlists in popular programming.

### **What facilities will be included in the new youth space?**

- The new youth space will include a new renovated Hollyville, Youth Lounge, flexible programable space for youth and programs (like Mini-Scholars), as well as a brand-new outdoor playground.
- The space will include facilities, such a kitchen, to increase youth program offerings. It will also include ergonomic friendly mini-Member washrooms, change tables, etc.

### **How does moving Youth increase accessibility?**

- The administration entrance is the most accessible entrance into the Club due to the newly installed push button activated automatic doors and its access to the Member parking lot.
- The proposed youth space is on the main level of the Club, is close to an accessible washroom and is close to the building's main elevator.

### **What is happening to the old Hollyville?**

- The current Hollyville space will be transitioned into the new meeting room. This room is similar in size to the existing Creekside Room.

### **What is happening to the old Youth Lounge?**

- The current Youth Lounge will be utilized for an expansion of our fitness facilities.

## **Tentative Construction Timeline and Club Impact**

### **What is the tentative timeline?**

July 2022\* - Spring 2023

Detailed design and permitting phase

Spring 2023 (permit dependent) Phase 1 Construction - Youth  
Fall 2023 (permit dependent) Phase 2 Construction - Lower Level (Bistro)  
Spring 2024 Phase 3 Construction - Upper Level (Restaurant)

\*Subject to Member approval

### **When will construction be complete?**

- All construction is tentatively scheduled to be complete by March 31, 2025. However, areas will be open as they are completed, the first being the new youth area, followed by the Bistro. The Bar and Grill will be the final area completed as part of the construction timeline.

### **How realistic is this timeline given COVID recovery, threat of inflation / rising interest, construction delays?**

- Embarking on a project of this scale always includes some variability, but contingencies have been built into both the construction schedule and budget.
- We have checkpoints built into the project that would allow us to re-evaluate and initiate processes to make sure that we remain on track.
- We have also accounted for project escalation costs within the construction budget. This is at a rate of 7% per annum as suggested by our independent quantity surveyor.

### **How will facilities be impacted during construction?**

- Phase 1: Youth and Administration relocation
  - Minimal Member impact
  - Youth facilities remain open during construction
  - Food & beverage facilities not impacted
  - Creekside Room closure
- Phase 2 – Bistro and lower kitchen
  - New youth facilities open
  - Bistro closure
  - Sports entrance closure
  - Bar and Grill open for half of phase 2
  - Bar and Grill open, but relocated for remainder of phase 2
- Phase 3 - Bar and Grill and upper kitchen
  - Bistro closed for first half of phase 3
  - Bar and Grill closed for phase 3
  - Temporary food beverage outlet(s) open but relocated temporarily during phase 3
  - New Creekside Room open prior to end of phase 3

### **24 months seems like a long construction period, is there an opportunity to accelerate the tentative schedule?**

- While all phases could be combined to shorten the construction window, this would dramatically impact Member experience.
- Completing detailed design and acquiring construction permits is anticipated to take 12-months from the time the full project team comes on-board (estimated September 2022). However, we do not need the same level of permits or lead-time for Phase 1 as it is a straight-forward renovation. This enables us to break-out Phase 1 as a separate permit from Phases 2 & 3. It also enables us to reduce Member impact by ensuring the new Youth and HollyVille area is open prior to the closure of the existing space.

### **What level of disruption can be expected at each stage?**

- With a construction project of this scope, there is naturally going to be some disruption and inconvenience. That said, we are committed to maintaining as many amenities as possible throughout the project, including access to food & beverage services. This will be facilitated by phasing the closures of the two kitchens and opening up temporary outlets as needed.
- Renew '22's design sets us up for success in terms of creating a tentative construction schedule with as little Member disruption as possible. The plan allows us to build new facilities while keeping existing facilities open. Completed phases of the project will open as completed; the full construction timeline illustrates when the entire project will be complete.
- Youth facilities (HollyVille, Youth Centre, Studio) will remain open during construction of the new youth space. There may be minor interruption while the Youth Team moves into their new home.
- Facilities which are not part of the renovation will not be impacted, such as the swimming pool, ice rinks, gymnasium, Tennis Centre, and Fitness Centre.
- We also are committed to ensuring that all programs run as scheduled.
- As soon as the construction schedule is finalized, Members can expect to see detailed information about scheduling and impacts. Our goal is to make this process as convenient as possible for Members.

### **Specifically, when will the food & beverages facilities be closed?**

- Detailed scheduling will be determined during the detailed design phase of the project, which would happen following a successful Member vote. Once this construction schedule is finalized, we'll be sharing those details with Members.
- It's estimated the construction would take place over 24 months, however, we will be opening areas to the Members as they are completed.

- Members can be assured that there will be food & beverage service available throughout the construction period.
- Tentative Construction Schedule (permit dependant):
  - Phase 1 – Youth facilities, is estimated begin in April 2023 with a target completion date in November 2023.
  - Phase 2 – Bistro and lower kitchen, is estimated to begin in November 2023 with a target completion date of September 2024.
  - Phase 3 – Bar and Grill and upper kitchen, is estimated to begin in May 2024 with a target completion date of March 2025.

### **Will Bridge be available during construction?**

- Yes, we are committed to keeping a food & beverage outlet open during construction. The Bar and Grill will be open during Phase 1 and half of Phase 2's construction period. The Bar and Grill will be relocated to a temporary location and open during Phase 3 where bridge play is welcome.
- Organized bridge will be relocated temporarily during the closure of the Creekside room in Phase 1 and 2.

### **How are you going to keep Members updated on the construction?**

- The Club will be issuing and keeping updated detailed schedules that will outline Member impacts. Members will receive updates via email, newsletter, and push notifications on the App, and will also be able to consult [www.renew22.ca](http://www.renew22.ca) for timely information.
- Management understands the importance of communication and commits to communicating timely information to Members leading up to and during the completion of Renew '22.

### **How will Club life / sense of community be maintained when there is temporarily no food & beverage outlets open?**

- The Club is committed to having a social hub, serving food & beverage, open throughout construction. Take-out will also be available during this time.
- The Club will deliver all regular programming, lessons, and activities throughout the construction project.
- Though during the 24-month construction period things will be somewhat different, we can all look forward to a better future in which our social spaces are greatly improved and meet our Members' needs.

### **How will other facilities, not included in Renew '22, be impacted?**

- Hollyburn's athletic facilities will NOT be affected by the project.
- Limited parking in the lower lot may be cordoned off for construction services.

- Although our youth facilities are being upgraded, there will be little to no interruption to Members in any of our youth areas. Our goal is to keep our current youth facilities open until the new area is fully completed.

## **Lessons Learned from Plan 2020**

### **In what way is Renew '22 different from Plan 2020?**

- The scope of Renew '22 is reduced and the focus is on renovation of the existing footprint, rather than expansion. The plan includes: necessary facility upgrades, food & beverage facilities, new centralized youth facilities and a relocated and refreshed meeting room. In comparison, Plan 2020 also included a new underground parkade, a loading bay including freight and passenger elevators, and a 300-person event centre.

### **What makes Renew '22 superior to Plan 2020?**

- Renew '22 is primarily a renovation and as such revitalizes more of the existing Clubhouse than Plan 2020.
- Renew '22 has been thoroughly analyzed by various industry experts and has oversight and approval by multiple levels of Club governance. This has been done to ensure the project is feasible and in the best interest of Members.
- Renew '22 has less Member impact due to the phased construction. For more information, see the detailed timeline [here](#).

### **What happened to the Receiving Area & Elevator from Plan 2020?**

- Plan 2020 featured an elevator and receiving bay to improve operational efficiency and improve Member safety in the Member parking lot. In retrospect, this aspect of the plan had an expensive price tag and did not solve all of our operational issues. To keep costs down, Renew '22 does not include an elevator or loading bay. However, Management is committed to reducing the traffic and shipping and receiving currently happening at the front roundabout and plans to do this primarily through process management and looking at other less cost intensive solutions for this operational issue.

## **Member Engagement**

### **How will Members be engaged in this process?**

- Members will be provided with comprehensive information about Renew '22 via the website [www.renew22.ca](http://www.renew22.ca), displays in the Club lobby, and Member Engagement Sessions (both in person and online).



- Starting June 13, 2022, Members will have eight days to cast their vote using the Simply Voting online platform. Members will receive an email in advance of June 13, 2022, with all the information needed to cast a vote.

**How has Member Input shaped Renew '22?**

- Member feedback is critical and has driven the continual push from Management and the Board to get Renew '22 to Member vote.
- Member input regarding renovating of the Club’s facilities was gathered via the 2015 survey and the survey following the unsuccessful Plan 2020 vote. The 2021 Member satisfaction survey affirmed the previous survey results. This feedback drove the Board’s development of the prioritized design criteria that shaped Renew '22.

**What feedback did you incorporate from the post Plan 2020 vote survey?**

- The survey told us that the majority of Members are overwhelmingly supportive of an upgrade to our food & beverage facilities. However, the survey also provided valuable feedback on what needed to be addressed in a future proposal:

Plan 2020 Feedback		Renew '22 Solution
Ongoing operating losses in food & beverage operations raised concerns that greater investments in food & beverage could equal greater losses.	→	The Board of Directors fundamentally agree that Hollyburn’s food & beverage facilities are a value-added amenity, not a profit center; however, Management continues to find the balance between improving operational efficiencies to reduce costs while providing an exceptional private club experience.
Members were not in favour of the capital improvement fee. In fact, 83% of survey respondents stated they would have been in favour of Design Element 1 (the food & beverage renovation) if there was no capital improvement fee.	→	Renew '22 has eliminated the need for a capital improvement fee and will be financed strictly through traditional bank financing and using cash on hand. This is possible because the Club has a strong balance sheet and is now debt free.
Lack of confidence in the transparency and budget of Plan 2020.	→	Renew '22 has undergone two, third-party independent cost estimates to ensure budgeting reflects current construction industry costs.

		<p>A competitive procurement process was held for the project manager and will be held for design consultants, and general contractor.</p> <p>The Renew '22 Special Board Committee has been involved in every step of the process.</p> <p>The Finance Committee has reviewed and approved the Renew '22 budget and financing model.</p> <p>The F&amp;B Committee has endorsed the project and the Long-Range Planning Committee agrees that this project is necessary for the long-term success of the Club.</p>
<p>Members would like more consultation on the design elements of the project.</p>	<p>→</p>	<p>Members have been engaged through multiple surveys to understand their needs and preferences.</p> <p>A design sub-committee will be struck after a positive member vote once the project enters the detailed design phase.</p>

**How can I provide input on what I see in the renderings or other aspects of design?**

- It's important to note that this project has not entered the detailed design phase. That work would follow a successful vote in June. As such, the renderings are purely schematic at this stage, and only intended to suggest what is possible in the space. No decisions on finishes or furniture have been made.
- The look and feel of the new restaurant will be based on Member feedback. A Design Committee, composed of Members, the Renew '22 Committee and industry experts will help drive the design process to ensure it meets Hollyburn Members' expectations. A preliminary food & beverage preference survey has been created to gain Member feedback on how they envision the look and feel of future facilities – [click here](#) to take survey.
- Club user groups will also be consulted on specific aspects of the design, as appropriate, to ensure the plans fulfill our Members' preferences and needs.
- Staff will also have the opportunity to provide feedback on how the plans should be designed to increase operational efficiencies and Member satisfaction.
- If Members have questions regarding the Renew '22 plan, they are encouraged to use the question form on the Renew '22 website – this process will elicit the quickest reply.

### **Where can Members learn more about this proposal?**

- Members can find comprehensive information about Renew '22 on this website <[www.renew22.ca](http://www.renew22.ca)>, at displays in the Club lobby, and by attending a Member Engagement Session.
- Member Engagement Session dates:
  - May 18<sup>th</sup> at 7pm in the Creekside Room
  - May 25<sup>th</sup> at 10am online via Zoom
  - June 2<sup>nd</sup> at 12pm online via Zoom
  - June 13<sup>th</sup> at 7pm in the Creekside Room
- If Members have questions regarding the Renew '22 plan, they are encouraged to use the question form on the Renew '22 website – this process will elicit the quickest reply.

### **How can I ask a question about the project?**

- Members can ask questions via the contact form on the Renew '22 website or by emailing [renew22@hollyburn.org](mailto:renew22@hollyburn.org)

### **When it is time to vote, what are Members voting on?**

- Voting Members will be asked to vote whether they are in-favour or not in-favour of the Renew '22 project and the required financing. Unlike the vote for Plan 2020, the project is not separated into different design elements each having a separate vote. The special resolution Members will be voting on will be included in the notice of meeting for the AGM.

### **Will Members get to vote? When? What result is needed for this to pass?**

- Starting June 13, eligible voting Members will have eight days to cast their vote using the Simply Voting online platform.
- The primary Member of each Membership (the Member whose account number ends in zero) is entitled to vote.
- Each Regular (Family, Couple and Single) Member, Corporate Member, Senior Associate & Senior Associate Social Member in good standing shall be entitled to vote on each question arising at any meeting of the Society. Social Members, House Members and Non-Resident Members may attend the meeting, but they do not have the right to vote. (Note – 1 vote per membership account).
- Please contact our Account Manager at 604.913.4507 to if you are unsure of your voting status.
- As a special resolution, 2/3 of votes must be in-favour for Renew '22 to pass.
- Members will receive a notice of meeting on May 30, 2022, in advance of June 20 AGM with all the information needed to cast a vote.