

REPORT
1995 February 13

CITY OF BURNABY
CIVIC DEVELOPMENT COMMITTEE

HIS WORSHIP, THE MAYOR
AND COUNCILLORS

Re: Deer Lake Arts Centre Project

RECOMMENDATION:

1. THAT Council authorize the expenditure of the revised funding estimates for the Deer Lake Arts Centre as outlined in this report.

REPORT

The Civic Development Committee, at its meeting held on 1995 January 26, adopted the attached staff report outlining revised funding estimates for the Deer Lake Arts Centre Project.

Respectfully submitted,

Councillor D.R. Corrigan
Chairman

Councillor D. Evans
Member

Councillor D. Johnston
Member

:COPY CITY MANAGER
- DIRECTOR ENGINEERING
- DIRECTOR FINANCE
- DIR. PLNG. AND BLDG.

TO: CIVIC DEVELOPMENT COMMITTEE

1995 FEBRUARY 03

FROM: MAJOR CIVIC BUILDING PROJECT
COORDINATION COMMITTEE

SUBJECT: DEER LAKE ARTS CENTRE PROJECT

PURPOSE: To obtain Council's approval on the revised funding estimates
for the Arts Centre Project

Recommendation:

1. THAT Council authorize the expenditure of the revised funding estimates for the Deer Lake Arts Centre as outlined in this report.

R E P O R T

1.0 Construction Status

The Deer Lake Arts Centre Expansion Project has been under construction for approximately nine months. As previously reported, the Contractor had to adjust their overall construction schedule in the fall of 1994 by approximately four weeks due to site considerations and construction sequencing of the main suspended concrete slab at the request of the structural engineer. Lengthy periods of wet weather during the months of November and December have also had a minor effect on the schedule and on the site servicing work which has now been re-scheduled for the spring of 1995. The servicing work does not directly impact on the construction of the building and as such, Regatta has been able to stay on the previously revised schedule which indicates substantial completion of the building by the middle of July, 1995.

During the months of December and January, the Contractor and the subtrades have progressed well. The majority of the precast concrete has been installed and the focus is now on the erection of the structural steel columns, trusses and the curved laminated wood beams in the atrium. This will be followed with the installation of the wood decking and the exterior metal roofing. Weather permitting, the Contractor will be completing the last of the concrete work in the building. This will include the concrete topping on the second floor, the mechanical room and the pouring of the second floor walkway and terrace.

Completion of the roof elements are critical to the schedule as this will allow the mechanical and electrical subtrades to complete their respective rough-in and allow the interior finishing trades to commence work on the project.

The Contractor's work force is well coordinated and the workmanship is of a good quality.

2.0 Project Financing

On 1993 July 07, Council approved an expenditure budget of \$9,378,400 (this figure included a provision for 3% G.S.T.) for the Burnaby Arts Centre. Since that time the project has received a full G.S.T. rebate reducing expenditures and the budget estimate by 3%.

A. Arts Centre Estimate (1993 July)

Construction & Contingency	\$7,566,000	
Ancillary Costs	1,767,000	
Site-works (Arts Council House)	45,400	
Total Project Estimate	<u>\$9,378,400</u>	(includes G.S.T. at 3%)
Less 3% G.S.T.	<u>273,158</u>	
Net Project Estimate	<u>\$9,105,242</u>	

The committed financing in 1993 July had a shortfall of \$136,555 based on Council's commitment and contributions from the Arts Centre's Fund Raising Committee as per the following summary:

Council	\$6,641,845	
Fund Raising Committee		
1st Proposal	\$1,400,000	
Provincial Grant	1,000,000	
Added by Agreement 1993 Feb. 08	<u>200,000</u>	
	\$2,600,000	
Total Financing Commitment	<u>\$9,241,845</u>	(includes G.S.T. at 3%)
Balance of Financing Required at time of Tender		
Total Project Estimate	\$9,378,400	
Total Financing Commitment	<u>9,241,845</u>	
Balance of Financing Required	<u>\$136,555</u>	

2.1 Arts Centre Tender/Contract

The tender submitted by Regatta Construction Ltd. was approximately \$500,000 over the original construction estimate approved by Council in 1993. In order to reduce the balance of financing required, negotiations were undertaken with the Contractor to explore various items in the contract that could be modified or deleted to bring the total contract value in line with the approved construction estimate without compromising the quality, size or functionality of the new Arts Centre. With the cooperation of all the parties involved, a total of approximately \$376,000 in cost savings were achieved and deleted from the original tender value. The resulting shortfall of \$124,000 was initially financed at the time of awarding the contract by using project contingency funds. As such it will be necessary to replenish the contingency amount to deal with unforeseen additions to the contract during the balance of the construction phase. The contingency funds will be used only for critical omissions as they relate to the construction of the building and its systems. If no further use of contingency is required, then any unspent funds will be returned back to capital reserves.

3.0 Revised Project Budget

Original Project Estimate (approved 1993 July)	\$9,378,400
Less 3% G.S.T	<u>273,160</u>
1993 Net Project Estimate	\$9,105,240
Requested Contingency make-up funds (exclusive of G.S.T.)	<u>\$124,000</u>
1995 Revised Net Project Estimate	\$9,229,240

3.1 Appropriated Funding in Place

General Revenue	\$83,525
Bylaw Funds	8,670,000
Donations received to 1994 Dec. 31	<u>1,057,635</u>
Total Appropriated Funds Available	<u>\$9,811,160</u>

3.2 Funding Source

The City's original funding (net of G.S.T.) was estimated at \$6,505,240 with grant funding of \$1,000,000 and donation funding of \$1,600,000. The current estimated financing commitment is as follows:

Funded from Capital Reserves	\$7,045,715
Funded from General Revenue	83,525
Funded from Donations	1,100,000
Funded from Grants	<u>1,000,000</u>
Total Project Commitment	<u>\$9,229,240</u>

Through the efforts of the Fund Raising Committee, approximately \$1,100,000 has been received in donations. Although donations are still being received it is unclear at this time when the Committee will reach their target of \$1,600,000. In the interim the difference will have to be financed through reserves. Any excess funding drawn from reserves will be transferred back to the Capital Reserve to reduce the borrowed amount. Upon completion of the project, staff will report back on the final costs. It should be noted that staff are pursuing potential grant funding of \$1,000,000 from the Federal Government, however, at this time approval has not been received. If approved, City Capital Reserve costs would be further reduced by the value of the grant.

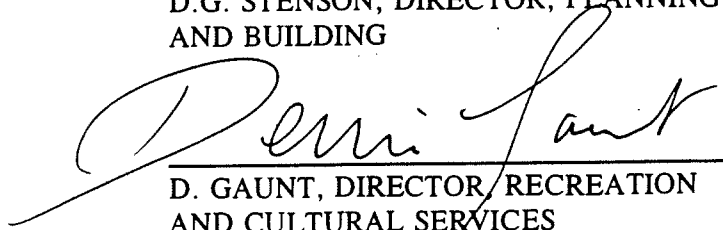
In conclusion, it is recommended that Council approve the revised funding estimates and total project costs as outlined in this report.



W.C. SINCLAIR, CHAIR, MAJOR CIVIC BUILDING
PROJECT COORDINATION COMMITTEE



D.G. STENSON, DIRECTOR, PLANNING
AND BUILDING



D. GAUNT, DIRECTOR, RECREATION
AND CULTURAL SERVICES

JC:lb

cc: City Manager
Director Finance
Chief Building Inspector

