

TO: CITY MANAGER

1999 March 3

FROM: DIRECTOR PLANNING & BUILDING

OUR FILE: 17.317

**SUBJECT: CAPITAL COSTS FOR SOUTHWEST DISTRICT
COMMUNITY POLICE STATION**

PURPOSE: To provide Council with information on the City's estimated share of the capital cost of developing the Southwest District Community Police Station in The Crystal in Metrotown.

RECOMMENDATION:

1. THAT Council authorize an expenditure of \$446,775 to develop the Southwest District Community Police Station.

REPORT

1. INTRODUCTION

At its meeting of 1998 March 23, Council considered a report from the Community Policing Committee regarding the establishment of additional community police stations in Burnaby. Council adopted the report, which outlined a number of locational options, budget estimates and likely timelines for the development of permanent stations in the Hastings-Brentwood, Southeast and Southwest Districts.

As outlined in the report, the preferred option for the Southwest District was to develop the station in the 4,000 square foot negotiated amenity space in The Crystal. That amenity space had previously been identified as a location for a seniors' activity centre. The developer agreed to the change of use on the condition that the dollar cost of finishing the space as a community police station would not exceed that which would have been spent on the seniors' centre. The report noted that any additional costs, including additional design costs, would have to be borne by the City.

The capital budget estimate quoted for the Southwest District station at The Crystal in the 1998 March report was \$222,000. The report noted that the estimate was based on a number of assumptions, and included only such items as furniture, equipment, RCMP computer systems, and a security system. Cost estimates for construction, finishing and redesigning the space were not included. The report concluded by noting that staff would provide Council with updated cost estimates following work with the developer and his architect to verify assumptions and clarify variables.

This report provides final cost estimates for the City's proposed share of the capital costs for the community police station at The Crystal.

2. FINANCING

As noted above, the developer's agreement to the change of use for the Crystal amenity space was contingent on the City's assuming any additional costs, including additional design and other professional costs, the change would generate. Staff have been working for a number of months with the developer to determine a fair estimate for the cost differential between the seniors' centre and the community police station. That work has included a call for construction estimates for the police station from three independent contractors, as well as the engagement, jointly by the City and the developer, of an independent quantity surveyor to estimate the construction value of both the station and the seniors' centre. The figure which has been reached is \$158,486 (\$148,118 plus 7% GST). The total construction value of the community police station is estimated at \$313,118. This figure is based on the three contractor quotes and the quantity surveyor quote noted above, as well as credits staff were able to negotiate with the developer. The credit from the contractor to the developer for the former seniors' activity centre is \$145,000, which is in line with the quantity surveyor's estimate. As well, an additional \$20,000 has been contributed by the developer to cover construction costs. The \$158,486 contribution from the City would facilitate a turnkey arrangement in which the developer would turn over to the City a community police station with agreed-upon features. Given the time and attention to detail which has been expended by both the developer and City staff to determine the cost differential, staff believe the proposed \$158,486 charge (\$148,118 plus 7% GST) to the City is fair. The developer requires approval of the City's share as soon as possible in order to pursue the construction bid upon which the cost sharing is based.

The total capital costs for the community police station for which the City would be responsible are as follows:

<u>ITEM</u>	<u>COST ESTIMATE</u>
Police Station/Adult Centre Cost Differential	\$ 148,118
Furnishings and Equipment	193,955
Miscellaneous Costs (e.g. consulting fees, permits, interior signage, contingency)	<u>75,474</u>
Subtotal:	\$ 417,547
GST @ 7%	<u>29,228</u>
*TOTAL:	<u>\$ 446,775</u>

* The net cost to the City would be \$430,075.

Should Council approve the capital expenditure, it is expected that construction of the community police station would begin in 1999 May. The station would likely be operational by 1999 September.

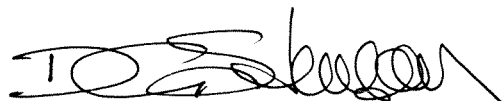
Sufficient General Revenues funds are available and the project is included under the 1999 Community Amenity Project component of the 1999-2003 Provisional Capital Program. However, net project expenditures exceed the budgetary provision by \$205,075. The 1999 Annual Capital Budget will be increased accordingly.

3. SUMMARY AND CONCLUSIONS

In 1998 March, Council agreed to the establishment of a community police station for the Southwest District in the amenity space in The Crystal development in Metrotown. Staff were directed to prepare capital cost estimates for the station for Council's consideration once a number of assumptions were verified and variables clarified. Staff estimate that the total capital costs to the City to develop the station will amount to \$446,775, inclusive of GST. This figure is based on several months of work with the developer to quantify the value of the change of use from an adult centre to a police station, on extra design and co-ordination work required by architectural and other consultants, and on RCMP cost estimates for required furnishings and equipment.

Construction of The Crystal is well advanced. Upon approval of the City's share of \$158,486 (including GST), the construction bid upon which these estimates are based can be pursued by the developer. The construction contract is expected to be completed by 1999 September 01.

It is recommended that Council authorize an expenditure of \$446,775 to develop the Southwest District Community Police Station.



D.G. Stenson, Director
PLANNING & BUILDING

JS/ma

cc: Deputy City Manager, Corporate Services
Director Engineering
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OIC, RCMP

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