



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: 7 July 2005
Author: Rudy Roelofsen
Phone No.: 604.257.8455
RTS No.: 05339
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Meeting Date: July 12, 2005

TO: Vancouver City Council

FROM: General Manager of Parks and Recreation and Director of Financial Planning and Treasury Services

SUBJECT: Sunset Community Centre

RECOMMENDATION

- A. That Council approve an additional allocation of \$3,000,000 for the construction of the new Sunset Community Centre; source of funding to be the \$20 million in borrowing authority approved by the electorate in 2002 to fund the City share of capital projects that receive outside cost sharing.
- B. That Council acknowledge receipt of a \$500,000 contribution from the Sunset Community Centre Association and approve allocation of these funds toward the Sunset Community Centre replacement.

CITY MANAGER'S COMMENTS

The City Manager recommends A and B.

COUNCIL POLICY

Council approves the Capital Plan programs and projects and any alterations to that plan.

PURPOSE

The purpose of this report is to request Council to allocate additional capital funding to construct the new Sunset Community Centre, and to approve the receipt of a donation from the Sunset Community Association towards this project.

BACKGROUND

During the planning for the 2003-2005 Capital Plan Sunset Community Centre was identified by the Park Board as the highest priority for replacement. Council agreed to allocate a \$3.0 million City contribution to the project, conditional on electorate approval of separate question for authority to borrow funds to provide the City share of projects that received outside cost sharing. That borrowing authority was approved in the 2002 municipal election.

The Canada/British Columbia infrastructure program subsequently awarded \$4.0 million toward replacement of Sunset Community Centre. With the City funding allocated to the project the total available for the project was \$7 million.

At its meeting of April 20, 2004, Council received a staff report which stated that the Staff Review Group had identified a number of projects where additional funding was required for original project expectations to be met. The projects listed included the Sunset Community Centre. At that meeting, Council was asked to confirm its commitment to the original concept for Sunset Community Centre replacement and Council approved the following resolution:

“THAT Council confirm its commitment to a 30,000 square foot LEED Silver redevelopment of Sunset Community Centre and instruct the Director of Finance, in consultation with the General Manager of Parks and Recreation, to report back on final costs and funding options.”

As of the date of that report the project was noted as having a funding shortfall of \$1.8 million. Due to the significant escalation that had become evident in construction costs in 2003, Council was advised that additional funding of up to \$3 million could be required by the time the project was scheduled to be tendered in the Spring of 2005.

On July 8, 2004, Council passed the following resolution:

- A. THAT Council adopt a minimum requirement of LEED™ Gold (including full registration and certification under LEED BC and the Canadian Green Building Council) for all new civic buildings greater than 500 square meters funded out of future Capital Plans, unless otherwise determined by Council, and that Council make the first 4 LEED points in the Energy and Atmosphere section mandatory to ensure a minimum of at least 30% energy reduction in all new civic buildings to support the recommendations of the “Cool Vancouver” Task Force in December, 2003 and as adopted by Council.”

The Park Board appointed an architect, Bing Thom Architects, who has worked with a building committee to develop a community centre design that was approved by the Park Board at its November 15, 2004 meeting.

DISCUSSION

The new Sunset Community Centre will be highly visible and accessible in its new Main Street location. The design makes available for public use an area of the existing park land used in the past as a street tree nursery. The building's unique design reflects organic shapes, with activity rooms arranged like leaves on a twig, covered with curving roofs. Exterior walls feature large expanses of glass, treated in ways to admit varying degrees of daylight. The centre will provide a full size gymnasium, dance and cardio rooms, pre-school space, a youth room and large multi-purpose room suitable for community events.

In March 2004 the project cost was estimated to be \$8.8 million.

The project is designed to the LEED Gold level. Although requiring an additional capital investment estimated at \$150,000, the extra measures respond to Council's desire to manage water use, reduce greenhouse gases and improve the work environment.

The rate of construction cost escalation over the past twelve months has been variously estimated at a low of 9% to a high of 15%. The total project cost including LEED Gold is now estimated at \$10.5 million, which includes cost escalation at 13% per year and a \$150,000 LEED Gold allowance.

In recent months the Board has retained the services of a construction manager, who is intended, following a bidding process for sub trades, to become the general contractor for the project. Bing Thom's design team, their quantity surveyor, and the construction manager have worked diligently over the past several months through design changes and value engineering to bring the project to within a \$10.5 million envelope. Final costs are still subject to receiving the various sub trade bids, and any post tender modifications required to bring the project in.

This project has received a very substantial amount of outside funding. In addition to the \$4 million Federal/Provincial contribution the Sunset Community Centre Association has made a \$500,000 contribution.

FINANCIAL IMPLICATIONS

Budget:

Funding for the project is proposed as follows, including the additional \$3.0 million from the Capital Plan recommended in this report.

Canada/BC Infrastructure Grant	\$ 4,000,000
2003-2005 Capital Plan original funding	3,000,000
2003-2005 Capital Plan additional funding (proposed)	3,000,000
Sunset Community Centre Association contribution	500,000
TOTAL	\$10,500,000

Expenditures:

Construction	\$ 8,550,000
Consulting Fees	970,000
DCL, permits, furnishings, etc.	440,000
Project contingency	540,000
TOTAL	\$10,500,000

At the time the 2003 - 2005 Capital Plan was approved by Council in September 2002, Council indicated a commitment to allocate \$3.0 million of City funding to this project, contingent on receipt of Canada/BC Infrastructure funding of \$4.0 million. The source of funding was the \$20 million in borrowing authority approved by the electorate to fund the City's share of projects that receive cost sharing from outside sources. Council allocated these funds to the project in the 2004 Park Board Capital Budget.

The current estimated cost of the project has risen from \$7.0 million to \$10.5 million. The Sunset Community Centre Association has agreed to contribute \$500,000 to the project, leaving a \$3.0 million shortfall. The Director of Finance recommends that if Council wishes to proceed with this project, the additional funding be provided from the same source as the original \$3.0 million - the \$20 million in borrowing authority approved by the electorate to fund the City's share of projects that receive cost sharing from outside sources. This approval will leave approximately \$2.0 million available from this funding source, funding that is likely to be required if the development at #1 Kingsway is to proceed.

CONCLUSION

The Sunset Community Centre replacement is an integral part of the Park Board infrastructure renewal program. The project is being undertaken in a period of significant cost escalation. When Council authorized the design team to proceed it acknowledged additional funding for cost escalation to be required. The project will be built to LEED Gold standards, and will be the first community centre to be so designated.

The project has received a very significant amount of outside funding from the Federal and Provincial Governments as well as the Sunset Community Association. With Council's approval of the recommendation in this report the building can proceed to construction, with the City providing 57 cents of each \$1.00 invested in this infrastructure renewal project.

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