



October 29, 2019

Memo To: Capital Sustainability Steering Committee

From: Ilmar Simanovskis, Commissioner of Community Services

Subject: Operations Centre Upgrades and Expansion Capital Project Deferral

On February 25, 2019, Council approved the Committee of the Whole February 19, 2019 recommendation to establish a Capital Sustainability Steering Committee (the Committee). The mandate of the Committee is to evaluate opportunities to deliver long-term capital investments that are in line with community expectations and fiscal sustainability.

A significant project in the capital plan for Community Services is the upgrade of the Public Works Operations Facility. The following summarizes the status of aspects of this project.

The Public Works Operations facility was constructed in 1983. The facility is attached to a second building at 1150 Elgin Mills Road that was also constructed in 1983 by Richmond Hill Hydro.

A Master Development Planning Study for the Operations Centre commenced in 1998 to develop a strategic long range vision that would ensure the Operations Centre is appropriately equipped to handle future growth. It proceeded in two phases.

Phase 1, focused on the long term needs, including a review of the facility, its operations and anticipated future requirements.

Phase 2, detailed the recommended strategy, including life cycle costing analysis of the facility renovation, options and design concepts for the recommended future configuration.

Phase 1, design and construction, included the renovations to the main building structure, taking over and programming the former Richmond Hill Hydro space for City use, construction of the salt shed, fire training tower, truck wash and related site works. Phase I construction was substantially completed in 2009.

Phase 2, design and construction contemplated a 13,000 sq. ft. frost free storage building and covered facility to accommodate equipment growth, extend underground services, introduction of stormwater management, an engineered wet earth fill decanting area, dedicated and covered outside material storage space, asphalt paved areas throughout the site, and landscaping. The detailed design exercise and approval process commenced in 2018 and is expected to be completed in early 2020.



A capital request for construction costs was initially anticipated for the 2020 budget. The current anticipated budget based on a class C construction estimate completed in conjunction with the detailed design exercise is \$21.9M consisting of the civil works (\$10.45M) and architectural/grading improvements (\$11.45M). The growth related portion of the project is estimated to be \$20.5M.

This project was considered for funding through debt due to the significant capital requirements and funding constraints within the current reserve balances. For this reason staff have opted to postpone the request for funding from 2020 pending the completion of a value engineering and operational and review exercise which will be undertaken to validate and confirm the overall project scope and budget requirements. This step is proposed to provide Council with comprehensive assurances that the project is warranted, properly scoped and designed in a way to optimize the long term benefits and functionality for the lowest life cycle costs. Results of the optimization review and funding request will be brought forward through the 2021 capital planning cycle.