

# Second Storey Space for Mill Woods Seniors Centre

## Recommendation:

That the April 11, 2011, Finance and Treasury Department report 2011FS9829 be received for information.

## Report Summary

**This report provides information regarding a strategy for funding capital costs associated with the development of a second storey space for the Mill Woods Seniors Centre at the new Mill Woods Library.**

## Previous Council/Committee Action

At the February 2, 2011, City Council meeting, the following motion was passed:

That \$1 million from the Operating Budget surplus be dedicated to design costs for the second storey of the Mill Woods Library Branch.

At the January 24, 2011, Community Services Committee meeting, the following motion was passed:

That Administration provide a report to Community Services Committee before March 31, 2011, outlining a strategy for funding remaining capital costs associated with development of a second storey space for the Mill Woods Seniors Centre.

## Report

A capital profile for this proposed project is not available at this time as not all of the program elements have been determined. Still outstanding is the

resolution of the parking supply required for the project.

## Parking Options

There are currently two options to provide the required parking for the second storey: lease surface parking from adjacent landowners or build an above grade parking structure on the library site.

Adjacent landowners are not willing to sell land near this proposed site at this time but would be willing to enter into a lease agreement. The estimate to develop the surface parking lot is \$680,000, with an estimated annual lease cost of \$42,000. The two key risks with this option are the potential for lease negotiations to fail after significant design work has been completed (additional costs and delays) and the requirement to find and fund a land purchase when the lease expires.

The estimate to build an above grade parking structure is \$4.2 million. This option removes the parking lease option risk.

The parking requirements for the second storey Seniors Centre still need to be determined. The budget has been developed assuming 80 stalls will be required. If the parking impact assessment determines more stalls will be required, then additional funds will be required.

## Strategy to Fund the Second Storey

As outlined in Attachment 1, the cost of adding the second storey without the parking is estimated at \$10,200,000 of which \$1 million in design cost has been approved by Council to be funded from the 2010 operating surplus. There is no capital funding available in the 2009 to 2011 capital budget that has not already

been allocated to existing projects and priorities. Capital funding such as Municipal Sustainability Initiative funding has been fully allocated for 2009 to 2011 and in fact Municipal Sustainability Initiative funding from future years has been fast tracked and applied to projects for 2009 to 2011. This is also true of pay-as-you-go funding (formerly called general financing). Administration has not identified any capital dollars in the approved 2009 to 2011 capital budget that can be readily reallocated to fund this project.

No other sources of funding for capital have been identified that would be available in 2011. Therefore, the alternate strategy would be to fund this project in the 2012 to 2014 capital program.

The challenge with waiting to approve funding for this project in the 2012 to 2014 capital program in December is the impact on the timing of the Mill Woods Library project. There is already a delay in acquiring the land.

Waiting until December to make a decision on approval of funding of the second storey could delay the entire project significantly. While Library Administration has acknowledged that the Seniors Centre is a good fit with the library they have strong objections to any further delay.

Council could approve the project now for funding in the 2012 to 2014 capital program but would be doing so out of the context of all of the other projects to be considered for funding.

As previously reported to Council with respect to capital funding, the amount of funding available for allocation to growth projects in the 2012 to 2018 period is

limited. To provide the context that is available at this time, attachment 2 outlines the growth projects that have previously been recommended for funding in the 10-year capital investment agenda for the remaining 2012 to 2018 period.

Administration will be updating the capital investment agenda for Council review in the fall.

### Partnership Funding

The Mill Woods Seniors Activity Centre currently does not have existing funds designated to contribute to the project. However, they do have a fundraising committee in place and will be developing and implementing a strategy over the next 12 to 18 months.

Administration met with members of the Mill Woods Seniors Activity Centre on February 15, 2011, to discuss their involvement in the capital financial strategy for this project. A specific financial commitment was to be discussed with the Board and at their Annual General Meeting in March.

### **Corporate Outcomes**

- Improve Edmonton's Liveability
- Transform Edmonton's Urban Form

### **Public Consultation**

Further consultations with seniors in Mill Woods have commenced and will continue as required over the next several months.

### **Budget/Financial Implications**

The cost of adding the second storey excluding the additional parking is estimated at \$10,200,000 of which, \$1 million in design costs has been approved by Council to be funded from

the 2010 operating surplus. The balance is unfunded at this time.

Options for parking would be:

- To lease land for construction of at-grade parking at a capital cost of \$680,000 and an annual lease cost of \$42,000 or
- To build above grade parking for \$4.2 million.

Therefore, the total project would be either \$10,880,000 (plus land costs at a later date) or \$14,400,000 dependent on which parking option is chosen.

With \$1million already funded from the 2010 operating surplus, Council could approve the balance of the project now for funding in the 2012 to 2014 capital program for a minimum of \$9,880,000 to a maximum of \$13,400,000.

### **Attachments**

1. Capital Cost Estimate Breakdown
2. Capital Plan Summary – Growth Projects

### **Others Reviewing this Report**

- L. Cochrane, General Manager, Community Services Department
- M. Koziol, General Manager, Capital Construction Department; and Acting General Manager, Asset Management and Public Works Department

### Capital Cost Estimate Breakdown

	Option 1	Option 2
	Leased Land & Paved Surface Parking	Above Grade Parking Structure
<b>Building Only</b> (Note 1)	\$10,200,000	\$10,200,000
<b>Parking</b> (Note 2) Infrastructure	\$680,000	\$4,200,000
<b>Total</b>	\$10,880,000	\$14,400,000
<b>Risks and Impacts</b>	1) Lease negotiations fail after significant design work completed, resulting in delays and/or re-design. 2) Requirement to find and fund parking on a new land parcel when the lease expires.	

### Notes

1. Building cost estimate is based on gross area of 25,000 square feet with approximately 17,500 square feet of usable space and on the second floor being constructed at the same time as the library.
2. Parking cost estimates are based on the assumption that a Zoning Bylaw variance will be given to allow for construction of only 80 stalls for the second floor development.

Annual operating parking lease costs are not shown in these amounts.

## Capital Plan Summary – Growth Projects

### 2012-2018 Capital Plan – Growth Projects Only (\$ Millions)

	2012-2018 Capital Plan
<b>All Funding Sources</b>	<b>1,687</b>
<b>Funding Approved for LRT:</b>	
Green Trip	270
MSI	60
Tax Supported Debt	58
<b>Total Funding Approved for LRT</b>	<b>388</b>
<b>Not Available Funding Sources:</b>	
Tax Supported Debt (Meadows)	137
Tax Supported Debt (Other)	29
Land Fund Retained Earnings	475
Local Improvements	35
Developer Financing	46
Other (e.g. Reserves)	139
<b>Total Not Available Funding Sources</b>	<b>861</b>
<b>Available Funding Sources</b>	
<b>Transportation:</b>	
Streetscape	16
Bus Facilities and Equipment Growth	13
Snow Storage Facilities Development	17
Operating Yards and Facilities	83
Arterial Network Improvements	87
Inner Ring Loop and Highway Connectors	51
Transit Vehicle Growth	33
Other Transportation	43
<b>Total Transportation</b>	<b>343</b>
<b>Other Departments:</b>	
Police Stations	26
Fire Stations	12
Parks	36
Recreation Centres and Libraries	21
<b>Total Other Departments</b>	<b>95</b>
<b>Total Available Funding Sources</b>	<b>438</b>
<b>Growth Projects Recommended Reallocation</b>	
Total Growth Projects	438
Less: Transportation Growth Projects Recommended for Reallocation	(200)
<b>Growth Projects remaining in 2012 – 2018 Capital Plan</b>	<b>238</b>

**Transportation Growth Projects for Reallocation to LRT:**

<b>Project #</b>	<b>Project Name</b>	<b>2012-2018 Capital Plan</b>
09-66-1070	SW Satellite Yard	10
09-66-1440	50 Street Widening (Whitemud to Roper)	13
	50 Street Widening (76 Avenue – 90 Avenue)	23
	50 Street Underpass CPR Track	13
	Noise Wall	4
	ITS	3
	Final Pavement Overlays	14
		70
09-66-1480	41 Avenue – QE11 Contingency	40
	Whitemud Drive (34 Street – 66 Street) widen to 6 lanes	7
	Overlays	3
		50
09-66-1296	LRT Signal System Upgrade	14
09-66-1420	Transportation Computer System Expansion (DATS, etc.)	6
05-66-1665	Stony Plain Road (142 St – 149 St) Transit Priority Corridor	9
09-66-1681	New Bus Purchases (Approx 80 buses)	41
<b>Total Transportation Growth Projects for Reallocation to LRT</b>		<b>200</b>

**Growth Projects Not Recommended for Reallocation**

<b>Project #</b>	<b>Project</b>	<b>2012-2018 Capital Plan</b>
03-20-0019	Mill Woods Branch Relocation & Expansion	13
03-28-4147	Louise McKinney Riverfront Park	6
06-20-0002	Clareview Branch Library	3
07-21-5746	Artificial Playing Surfaces: Quadrant Based	4
07-60-1356	South West Division Station	6
07-60-1375	Northwest Division Station	20
08-70-0023	Heritage Valley Fire Station Construct	5
09-28-1050	New Park Construction	15
09-28-7001	NPDP/Outdoor Aquatic Amenities – NEW	15
09-70-0022	Fire Stations – Master Plan Phase I	7
10-21-5784	Lewis Farms Multi-Purpose Facility – Design	1
		<b>95</b>