



STAFF REPORT

Title: RCMP Building Expansion Project

Meeting Date: August 27, 2019

Executive Summary:

Further to Council's In-Camera briefing in July, 2019, this report has been generated by Administration for Council to provide direction on the future of the RCMP Building Expansion Project.

The RCMP building expansion project was initiated in 2016 with JMAA (Architect) completing the Facility Review and Feasibility Study. RCMP's K-Division (Asset Management) completed the space analysis and indicated that an additional expansion of 500 sq. m. would be required to be added to the current 835 sq. m. (total 1,335 sq. m.) to address the overcrowding issues, and meet operational requirements for next 10 to 15 years.

Based on all of above, it was estimated that the building expansion will cost \$3 to \$3.5M and budgets were allocated accordingly. The City of Cold Lake allocated a total of \$3,672,000 with \$1,628,000 in 2017, \$122,000 in 2018 and finally \$1,922,000 in 2019.

It should be noted that while work was progressing to develop detail design, RCMP noted various priority improvements (details summarized in-camera) were necessary within the cell blocks and required that those need to be addressed on priority basis. The architect was asked to develop a solution which resulted in splitting the project in two (2) phases, Phase-1 being the cell block renovation and Phase-2 being the building expansion of 500 sq. m.

Despite being a priority issue for RCMP, they took significant time (approx. 1 year) in approving the Phase-1 design drawings and specification. Due to delays in approvals from the RCMP (Asset Management Division), City administration suggested to get both phases tendered either together or one after another so there is continuity in work and over all savings by administering one project. RCMP was not in favor of this approach and was suggesting that the Phase-2 approvals will take another year and so it is better to move with Phase-1.

City of Cold Lake administration met with RCMP K-Division on Jan 9, 2019 to discuss the progress of the Phase-1 approval and ask to re-consider the option to get Phase-2 going in parallel. RCMP at the meeting hinted that the space analysis needs to be re-



done which prompted a question whether the last three years work was no longer valid. RCMP suggested that this is not the case.

The tenders for Phase-1 closed on April 9, 2019 and work was conditionally awarded to Value Master Homes. Security clearance is required before they are allowed to work on the facility. We anticipate that security clearances will take 2 to 3 months and so work may start in September/October 2019. Phase 1 work will cost approx. \$600,000.

RCMP K-Division met with City administration on June 18, 2019 and presented their NEW Space Analysis which suggested an additional space of 889 sq. m. (approx. 400 sq. m. more than the 2016 requirement). The City has been advised that the most significant reason for the changes in the requirements to the facility design are due to changes to the RCMP design standards over the past three (3) years. These design standards are now applicable due to the delays in commencing with the expansion renovations (essentially the Phase-2 scope).

Based on some very conceptual order of magnitude estimates, it is being suggested that based on new space requirement, the renovation will cost \$10.6 Million while new building will cost \$11.3 Million. RCMP does not see any use for the existing building and is of the strong opinion that building a new facility is the only way to move forward the project at this time. The above noted does not include the demolishing costs of the old facility or conversion renovation for other uses.

Based on feedback from RCMP K-Division, it is understood that the timelines associated with the “new” project will be +/-36 months (Approx. 18 months of planning/design/approvals and Approx. 18 months of construction). K-Division is requesting for a “start to finish” commitment to move the project forward. With that, RCMP has indicated that they are prepared to continue to utilize the existing facility for the next three (3) years however they are concerned with timelines beyond that.

Financial Considerations:

The RCMP pays a Capital Cost Recovery Rate for the use of their facility. This use is proportionate to the amount of members and staff that are municipal versus provincial/federal.

Within the existing agreement, under Section 1.03 Renewal, the parties entered into an amending agreement thereby extending the Occupancy Agreement an additional 5 years ending March 31, 2022. RCMP K-Division currently pays a combined Capital Cost Recovery and Operating Rate of ~\$95,760 (exclusive of the capital renovations currently underway). Based on RCMP K-Division current position, the City has raised



concerns that most of the existing renovations that are currently underway will be considered throwaway.

Acknowledging the end date to the occupancy agreement and Section 1.03 Termination of Agreement expressing a lead time of 24 months, discussion on extending the existing agreement needs to happen between now and March 31, 2020.

Council received an in-camera briefing on the estimated impacts to the Occupancy Agreement (Capital Cost Recovery and Operating Rates) based on the occupancy ratio (municipal versus provincial), amortization duration, interest rates, and capital investment. Administration of the opinion that the project is doable understanding that the City will have an annual impact of approximately \$300,000 plus 61% operating cost of the new facility.

K-Division is requesting for a “start to finish” commitment to move the project forward as soon as reasonably possible, as time is of the essence.

Background:

Alternatives:

Recommended Action:

That Council pass a motion to authorize administration to proceed with the design development of new a Royal Canadian Mounted Police Detachment with the existing budget allocations and that the residual capital investment strategy be considered during Council Budget Deliberations and Business Plans updates.

Budget Implications (Yes or No):

Yes

Submitted by:

Kevin Nagoya, Chief Administrative Officer