
2004 BUDGET BRIEFING NOTE

519 Church Street Community Centre – Request for Relocation Costs

Issue/Background:

The 519 Church Street Community Centre will commence construction on its addition as early as May 2004. The construction will adjoin the existing centre, rendering adjacent offices extremely noisy and dirty. One of the office walls will have a hole punched into it to connect the old building to the new building. Staff members require alternative office space off site, as there is no additional space inside the centre.

The capital cost of \$1.5 million for the building addition is included in the Facilities & Real Estates' capital budget. The second phase of the renovation is \$2.0 million subject to achieving the fundraising target of the full amount.

At our request, the Facilities & Real Estate staff reviewed the option of moving all operations off site for the duration of the construction that would require at least 10,000-sq.ft. of space. This would offer greater certainty of tenure, higher safety margins, but less flexibility in programming. Staff determined that it was going to cost in excess of \$30,000 per month and have a potentially deleterious long-term effect on programming.

Although less advantageous for construction and for staff comfort, it is possible to move only those staff whose offices adjoin the construction. This reduces leasing costs and avoids duplicating operating costs for reception, communications and heavy cleaning.

Key Point(s):

We have reviewed three options:

1. Moving all staff and programmes would require >\$30,000 per month over 2 years.
2. Moving no one will expose multiple staff to difficult working conditions and allow no flexibility if there are occupancy emergencies. Facilities staff believe there is a high probability that construction related safety precautions will significant impact service. Facilities staff are also concerned about the possibility of health and safety issues, and therefore do not recommend this option.
3. Moving some staff will allow for continuous service at a lower cost. This is the recommended option by the community centre and is the subject of the proposal.

Questions & Answers:

1. What is the construction schedule, including the 1st (addition) and 2nd phase (renovation)?

A report seeking authority to award contract to the successful proponent will be submitted to Council in May 2004. Construction of the first phase will begin immediately afterward and it will take approximately 9-12 months.

The second phase will begin immediately afterward subject to fundraising outcome, and it will last approximately 14 months. Combining the 1st and 2nd phases, the total addition/renovation project would take 2 years.

2. Why is it critical for staff to relocate during the construction period?

Counselling and finance staff members who overlook the construction site will be subject to vibrations, dirt and dust, and very noisy conditions. Working under these conditions will be difficult, and Facilities staff are extremely concerned about health and safety issues regarding the facilities during the construction period.

3. What is the timeline for the relocation in order to facilitate construction?

It is proposed that five staff would move out in late May. They would remain there throughout the first phase (spring 2005) and stay through the renovation of the third floor (summer 2005). At least two would return to offices on the third floor by the summer of 2005. During the reconstruction and renovation of the first floor (2nd phase), additional programme staff would vacate the premises and would return to their offices upon completion of the first floor renovations (winter 2006).

4. Can the Centre use City's own space instead of leasing?

Facilities & Real Estates staff have reviewed the availability of appropriate City owned space, and advised none is available in the area.

5. What is the expected service level during construction?

We hope to maintain 70-85% of current programme levels. The architects have designed the phasing in order to maximize the usefulness of the existing space.

6. If the 2nd phase of construction is delayed, will it impact on the leasing?

It will extend the lease period if there is a slight delay. If a delay is longer, staff would move back and the centre would be forced to renegotiate a new lease prior to the second phase.

7. Provide details of the lease arrangements for the proposed alternate space, that is, costs, terms, square footage, etc.

The costs for the proposed alternate space are as follows:

	2004	2005	2006	Total
	\$	\$	\$	\$
Moving costs	1,750		2,000	3,750
Lease Costs - 2,320 sq. ft.	34,755	59,580	29,790	124,125
Total Gross expenditure	<u>36,505</u>	<u>59,580</u>	<u>31,790</u>	<u>127,875</u>
Less: Increase capital cost due to non-vacated property (note 1)	50,000	50,000		100,000
Total Savings	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>100,000</u>
Total Net Expenditure	(13,495)	9,580	31,790	27,875

Note 1: As advised by the Kohn Shnier Architects, January 30, 2004.

Date: March 1, 2004