Agenda - Executive Policy Committee - July 14, 2010

Moved by Councillor

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than 96 hours preceding the committee meeting, be considered by Committee.

ADDENDUM REPORTS

Item No. 17 Project Detail of Assiniboine Park Conservancy 2010 Building Repairs and Upgrades
eFile PR-7.1

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That Executive Policy Committee approves the project detail of the Assiniboine Park Conservancy's Building Repairs and Upgrades Plan.

ADMINISTRATIVE REPORT

Issue: **Approval of Project Detail of Assiniboine Park Conservancy 2010 Building Repairs and Upgrades Plan**

Critical Path: **Executive Policy Committee**

AUTHORIZATION

Author	Department Head	CFO	CAO
F. Caldwell	C. Wightman	M. Ruta	A. Robinson Deputy CAO

RECOMMENDATIONS

1. That Executive Policy Committee approves the project detail of the Assiniboine Park Conservancy's Building Repairs and Upgrades Plan.

REASON FOR THE REPORT

In its 2010 Capital budget, Council approved $5.123 Million for the Assiniboine Park Conservancy (APC) Building Repairs and Upgrades Plan subject to approval of the Assiniboine Park Management Agreement and EPC approval of specific project detail. (See Appendix A)

IMPLICATIONS OF THE RECOMMENDATIONS

Financial Implications:

Upon EPC approval of project detail and Council approval of Management Agreement Terms, approved 2010 capital funds will be cash flowed to APC in three installments: $2,612,811 on August 3; $1,320,189 on October 1; and $1,190,000 on December 31, 2010.

HISTORY

Using information from the City of Winnipeg's facility asset management program prepared by Vanderweil Facility Advisors (VFA), the Assiniboine Park Conservancy planned a ten year building program for Assiniboine Park buildings not scheduled for removal and replacement as part of APC's Development Plan. Combined with capital requirements for park upgrades to amenities such as lighting, park furnishings and signage, Council approved APC's 2010 capital request of $5.123 million.

APC has provided detail of proposed expenditures for these funds in the attached document.

FINANCIAL IMPACT

Financial Impact Statement **Date:** July 5, 2010

Project Name: **First Year of Program** **2010**

	2010	2011	2012	2013	2014
Capital					
Capital Expenditures Required	$ 5,123,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	5,123,000	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The 2010 Council approved Capital Budget includes $5.123 million for Assiniboine Park Conservancy (APC) - Building Repairs and Updgrades Plan. Sufficient funds exist for this purpose but cannot be released until the two conditions are met: Council approval of the APC Management Agreement Terms and EPC approval of specific project detail.

original signed by

Cindy Fernandes, CMA
Manager, Finance and Administrative Services

CONSULTATION

In preparing this report there was consultation with:

Planning Property and Development Department, Municipal Accommodations Division was consulted on the facility maintenance projects which relied upon that Division's VFA assessment information.

SUBMITTED BY

Department:	Community Services
Division	Assiniboine Park Enterprise
Prepared by:	Frank Caldwell, Manager
Date:	July 12, 2010
File No.	


Appendix A



2010 Repairs +
Other Capital Plan

COMMUNITY SERVICES - GENERAL CAPITAL FUND

Project Name: **Assiniboine Park Conservancy (APC) - Building Repairs and Upgrades Plan**

Dept ID:
Department: Community Services
Capital Priority Rating: 1 - 2

Project: 62300001yy
Service: Arts, Entertainment and Culture

AUTHORIZATION	Previous Budgets	2010 Adopted	FORECAST 2011	2012	2013	2014	2015	Five-Year Forecast Total	Six-Year Total
Project Costs ($000's)	N/A *	5,123	2,000	2,000	3,000	3,000	3,000	13,000	18,123
Financed by:									
Cash to Capital (Equity in Capital Assets Fund)		5,123	2,000	2,000	3,000	3,000	3,000	13,000	18,123

CASH FLOW	2010	2011	2012	2013	2014	2015	Beyond 2015	Total
Project Costs ($000's)	5,123	2,000	2,000	3,000	3,000	3,000	-	18,123
Financed by:								
Cash to Capital (Equity in Capital Assets Fund)	5,123	2,000	2,000	3,000	3,000	3,000		18,123

NET OPERATING IMPACT	2010	2011	2012
Revenue increase/(decrease)			
Less:			
Operating expenditures increase/(decrease)			
Debt and finance charges increase	166	553	784
SURPLUS/(DEFICIT)	(166)	(553)	(784)

Note: *Net Operating Impact = Revenue - Operating expenditures - Debt and finance charges*

This capital request is subject to Council approval of the Assiniboine Park Management Agreement and EPC approval of specific project detail.

These capital dollars represent the City's ongoing committment to Assiniboine Park building repairs and upgrades.

* N/A - No amounts have been included in the "Previous Budgets" due to this project's on-going nature.

Assiniboine Park Conservancy

Assiniboine Park Building Repairs and Upgrades & Other Capital Development Plan

June 10, 2010

Background

Assiniboine Park Conservancy has been granted 2010 capital funding from the City of Winnipeg in the sum of $3,123,000 to start addressing the accumulated maintenance deficit in Park facilities. This funding was identified as the first of ten investments (increasing to $3,433,000 in 2012 and thereafter in the Business Plan) required over the next decade to address the lifecycle issues identified through the City's VFA process. Additional funding totaling $2,000,000 was also approved to support office space requirements, furniture and equipment ($1,077,000), information technology ($413,000), park amenities ($100,000), park lighting ($300,000) and signage ($110,000). See attached for the Conservancy's 2010 Capital Budget as approved in the City of Winnipeg in December 2009.

The VFA report completed in 2005 resulted in a comprehensive assessment of all major Park facilities from the perspective of building envelope, HVAC systems, mechanical, electrical, structural and architectural issues. However, the report is not designed to report on the condition of animal exhibits and similar issues specific to the specialized infrastructure found within areas such as the Zoo. These concerns are critical to the continued operation of the Park and will be addressed in this program and plans for future years.

The current year is a start-up year for the Conservancy with a significant investment in office space, furnishings, equipment and information technology required to launch operations. Many of these costs are one-time costs and will not be required again at the same level in the immediate future.

The Conservancy formally launched its operations early in 2010 and did not have the opportunity to plan the current year program in advance as will happen for future years. Some projects that might ideally occur in the first year will have to be scheduled for next year due to time constraints related to design, late approval in 2010, seasonality or coordination with other activities.

Program Parameters for 2010

The lifecycle capital program for 2010 was based on the following principles:

- All identified code related or safety items should proceed as immediate priorities.
- Priority should be given to a single larger project designed to address all outstanding issues relating to one major building each year to ensure efficiency of investment and to minimize disruption to Park users.
- Projects required to reduce ongoing damage from occurring (eg roofs needing repair) should be completed as quickly as possible.
- Identified priorities requiring minimal lead time should receive priority in year one of the program.
- Non-essential lifecycle projects in facilities scheduled for replacement (eg Conservatory) should be delayed indefinitely recognizing that emergency breakdown repairs may be required on very short notice.

Lifecycle Capital Projects for 2010

The following projects have been identified as the approved priorities for the current year:

Identified Code and Safety Items **$209,072 (as per VFA estimates)**

These projects address outstanding code requirement and safety items identified in the 2005 VFA report for facilities being retained by the Conservancy:

- Asbestos removal
- Install backflow prevention devices
- Upgrade fire alarm systems to code requirements
- Replace ABS piping systems that do not meet code
- Switch to barrier free drinking fountains
- Upgrade lightning protection
- Replace non-compliant stair
- Repair non-compliant electrical components

Tropical House Refurbishment **$1,700,000 (estimated)**

This project closes the Tropical House for a period of 4-5 months to allow for a major upgrading of the 40 year old facility. Major project components include the following:

- Complete all code and safety related items identified through the VFA process
- Replace aged air handling units and related HVAC systems essential for operating the facility
- Replace electrical and plumbing systems that are at the end of their functional life
- Replace lower ring of glazing including deteriorating sills
- Rebuild the entry vestibule
- Replace the original soil and install new plants
- Refurbish existing animal exhibits within the structure
- Refresh walls, floors etc with new finishes

Repair Failing Roofs **$328,549 (as per VFA estimate)**

This project addresses various roofing projects identified in the VFA report before any additional structural damage can occur:

- Bear Building
- Siberian Tiger
- Zebra Barns
- Kinsmen Discovery Centre
- East Gate & Zootique

General Painting & Floor / Wall Maintenance **$130,000 (estimated)**

Public Washroom Upgrades **$125,000 (estimated)**

- East Gate Zoo
- Playground
- Other

Contingency and Escalation Allowance **$630,379**

- Escalation of 2005 VFA cost estimates
- Contingency for above noted projects
- Reserve for unanticipated emergency requirements

Other Capital Expenditures 2010

The following priorities have been identified as required for Conservancy startup and non-building requirements for 2010:

Office Space, Furniture & Equipment and Information Technology **$1,000,000 (estimate)**

- Minor renovations to 55 Pavilion Crescent and tenant improvements for sublet office space at 1661 Portage Avenue.
- Purchase and installation of trailer style office space for the Operations staff.
- Information technology for all operating departments of the Conservancy, including computer equipment, printers, etc.
- Fundraising, finance, point of sale, membership management, event management and other major business applications for a Park-wide operation.
- Retail equipment needs.
- Miscellaneous office upgrades.

The original budget presented by the Conservancy in October 2009 in support of office space, furniture and equipment and information technology requirements was set at $1,490,000. This was prepared on the assumption that a major renovation of 700 Assiniboine Drive would be undertaken to house Conservancy staff. As this was not a possible solution, the Conservancy made other arrangements as indicated above. Based on expenditures made to date and those projected to fiscal year end, approximately $490,000 will not be utilized for these purposes in 2010. As a result, the Conservancy proposes funding not spent on office space and information technology requirements in 2010 be redirected to a new Public Washroom in the southeast corner of the Park.

South East Public Washroom **$490,000 (estimate)**

As discussed above.

Park amenities upgrades **$510,000 (estimate)**

- Park lighting
- Picnic tables, benches and other park amenities
- Signage

Summary

The 2010 Assiniboine Park Building Repairs & Upgrades and Other Capital Development Plan focuses on key identified priorities from the 2005 VFA reports. In addition, it brings the 40 year old Tropical House within the Zoo up to a current standard suitable for the next 20 years. The program for the year begins the process of catching up on the accumulated maintenance deficit. A larger than normal contingency of approximately 20% is retained to address the fact that the VFA report cost estimates are now nearly 5 years old. This contingency may be reduced somewhat for future years.

A significant investment in office space, furniture and equipment and required information technology will allow the Conservancy to fully launch its operations. In the longer term a centralized office complex will be required but the investment made in 2010 will meet the needs of the organization at least for the next few years.

The Southeast Public Washroom is a disgrace and the replacement needs to be addressed immediately. Park amenities such as benches, picnic tables, signage, lighting and related items will also require an ongoing investment to fully address the accumulated deficit. However, this funding will allow the Conservancy to launch its multi-year replacement program.

The program for 2010 will begin later in the calendar year than would normally be expected, largely due to the transition of responsibility from the City to the Conservancy only now underway. Some work, particularly the refurbishment of the Tropical House, can be expected to carry over into the first quarter of 2011.

Assiniboine Park Conservancy Inc.
2010 and 2011 Capital Budget
(with Projected 2009 Capital Expenditures)

The following projected capital needs for major attractions and other site development are based on cost estimates and cash flow information provided by Scatliff Miller & Murray, Number Ten Architects and Portico Group over 2010 and 2011. Major and minor capital projects are also described in the Conservancy's Business Plan.

	Projected Actual Funding 2009	2010	2011	Total	
Major Attractions:					
Conservatory	-	-	-	-	Business Plan Start Date in 2012
Duck Pond Expansion	562,500	2,672,800	-	3,235,300	Completion in 2010, whether or not these projects are started in late 2009 or early 2010.
Family Centre	41,000	2,459,000	-	2,500,000	
Nature Playground	561,500	1,462,000	-	2,023,500	
Rushing River	35,000	1,082,916	3,248,747	4,366,663	Completion in 2011 (estimated 25% in 2010/75% in 2011)
Youth Recreation Area	-	-	-	-	Business Plan Start Date in 2013
Zoo Redevelopment **(Note 1)**	85,000	3,100,000	13,200,000	16,385,000	Polar Bear Rescue Research & Conservation Ctre + Phase 1 Soft Costs in 2010 + Continuation of Phase 1 in 2011 (see Note 1)
	1,285,000	10,776,716	16,448,747	28,510,463	
Major Site Development:					
Park Gateways and Entrances	-	-	1,885,000	1,885,000	Business Plan Start Date 2010, Assume Delayed to 2011
Internal Pedestrian Route	-	-	772,000	772,000	Business Plan Start Date 2010, Assume Delayed to 2011
Internal Road Revitalization, Parking & People Mover Route	-	-	1,462,000	1,462,000	Business Plan Start Date 2010, Assume Delayed to 2011
Concessions	-	485,000		485,000	Business Plan Start Date 2009, Completion in 2010
	-	485,000	4,119,000	4,604,000	
Environmental Strategy (water& forest), **(Note 2)**	65,000	135,000		200,000	See Note 2
	65,000	620,000	4,119,000	4,804,000	
Other Capital Development:					
Building Repairs & Upgrades **(Note 3)**	500,000	3,123,000	3,123,000	6,746,000	See Note 3
Minor Park Amenity Upgrades		100,000	349,000	449,000	Includes picnic tables, benches and other minor Park amenities
Information Technology		413,000	270,000	683,000	Business Plan Start Date in 2010, RFP in process for IT Consulting Svcs
Office Space and Furniture & Equipment	17,769	1,077,000	353,000	1,447,769	Estimate for 700 Assiniboine Renovation $1 million + F&E (computers, office equipment, desks, etc.)
Park Lighting		300,000	919,000	1,219,000	As per Conservancy Business Plan
Signage		110,000	109,000	219,000	As per Conservancy Business Plan
	517,769	5,123,000	5,123,000	10,763,769	
Non-Capital Expenses:					
Capital Fundraising Campaign	150,000	-	-	150,000	Start-up costs funded by Community Services capital envelope
	150,000	-	-	150,000	
Total	2,017,769	16,519,716	25,690,747	44,228,232	
Funding Source:					
Community Services Capital Envelope	2,000,000	2,000,000	2,000,000	6,000,000	As per Conservancy Business Plan
Operating funding	17,769	-	-	17,769	Office renovation & computers funded by operating budget
Minor capital - refurbishment (Note 3)		3,123,000	3,123,000	6,246,000	As per Conservancy Business Plan
Major Capital:					
City of Winnipeg		2,849,179	5,141,937	7,991,116	25% sharing of major capital costs
Total City of Winnipeg	**2,017,769**	**7,972,179**	**10,264,937**	**20,254,885**	
Province		2,849,179	5,141,937	7,991,116	25% sharing of major capital costs
Federal Government		2,849,179	5,141,937	7,991,116	25% sharing of major capital costs
Private funding		2,849,179	5,141,937	7,991,116	25% sharing of major capital costs
	2,017,769	16,519,716	25,690,747	44,228,232	

Note 1 - The Zoo redevelopment budget for 2010 and 2011 is based on Portico's time frame and costs for detailed design, construction tendering and construction of Phase 1, beginning with the Polar Bear Rescue Research and Conservation Centre. The above schedule leaves the Zoo redevelopment about one year behind schedule, which will negatively impact the operating budget in 2011 onwards, unless there is a "catch-up" through accelerated funding and construction.

Note 2 - According to Scatliff, Miller & Murray, an environmental strategy needs to be developed for the Park, both in Water Management and Forest Management, which will guide all future development in the Park. The costs reflected above relate to the investigation phase which must be conducted in parallel with the Duck Pond expansion. Water and forest management has a broader scope than the Duck Pond project itself and as such, it is not linked directly to this project. There are local engineering firms which specialize in developing these strategies and the work would involve the City through its Waterworks and Forestry departments. Depending on the results of the investigation, a water and forest conservation strategy could have huge cost implications which would need to be funded by the City.

Note 3 - Building Repairs & Upgrades relates to required funding from the City of Winnipeg to increase the condition of buildings that have deteriorated over time due to chronic underfunding. The amounts were included as "Repairs and maintenance - building" as operating requirements in the Conservancy's Business Plan and are based on the City of Winnipeg's estimates of $34 million over a ten year period. These expenditures are considered minor capital in this submission. The Conservancy has engaged Crosier, Kilgour to audit 15 of the 100 buildings in the City's estimates, the report of which will be available in November 2009. This represents the best estimate of these costs available at the time.

Minor capital - the Conservancy is seeking a commitment of up to $3.123 million to fund building repairs and maintenance costs and new washroom construction in 2010. This assumes that the City will conduct $310,000 in repairs through City departments as noted in Note 10.16 of the Business Plan Appendix A. To complete the required work, the Conservancy will be seeking assistance from the City to identify and prioritize projects in the Park. It is expected that the work will be planned and executed primarily through third party contracts. It is critical that progress is made beginning in 2010 on building repairs in accordance with the Conservancy's Business Plan.

Assiniboine Park Conservancy
Cash Flow Schedule
Building Repairs & Upgrades and Other Capital Development
June 10, 2010

Projects	August 3, 2010	October 1, 2010	January 4, 2011	Total
Repairs & Upgrades:				
Identified Code & Safety	$ 209,072.00	$ -	$ -	$ 209,072.00
Tropical House Refurbishment	170,000.00	510,000.00	1,020,000.00	1,700,000.00
Roof Repairs	328,549.00	-	-	328,549.00
Painting & Floor/Wall Maintenance	130,000.00	-	-	130,000.00
Public Washroom Upgrades	125,000.00	-	-	125,000.00
Contingency	315,189.50	315,189.50	-	630,379.00
	1,277,810.50	825,189.50	1,020,000.00	3,123,000.00
Office Space, F&E, IT, Business Apps	750,000.00	250,000.00	-	1,000,000.00
Southeast Public Washroom	245,000.00	245,000.00	-	490,000.00
Park Amenities	340,000.00	-	170,000.00	510,000.00
	$ 2,612,810.50	$ 1,320,189.50	$ 1,190,000.00	$ 5,123,000.00