



Council report

Meeting date:	April 6, 2021
Title:	West Grey Police Services Costing Estimate
Prepared by:	Karl Schipprack – Director of Development Services and CBO
Reviewed by:	Laura Johnston - CAO

Recommendation

That report – West Grey Police Services Costing Estimate be received; and further
That council select costing option #1, 2, 3 or 4.

Executive summary

Direction from council on design type is required prior to completing all construction documents. Construction documents are required to request tenders from contractors, apply for building permits and start construction.

Background and discussion

The existing West Grey police station is well past its usable lifespan and is drastically under-sized to serve the residents of West Grey. West Grey awarded a contract to Formworks Architects for the design and project management of the new West Grey police station in July 2020. Since then Formworks has been working with West Grey and West Grey Police staff to complete a site plan and building layout. Council approved the architects’ proposed design. This report outlines costing options:

- a base building that meets all code requirements,
- a LEED certified building and
- a net zero building that would be eligible to apply for grant funding with the Federation of Canadian Municipalities (FCM).

The architects also provided costing for a building that, based on their experience, would be an optimal design. This design would provide maintenance and energy cost savings over the life of the building by incorporating many requirements from LEED design. While this option would not include any certification, it will save the cost associated with the certification and the cost of LEED requirements that do not provide any energy conservation. This is estimated to be a



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cost savings of \$663,000 over a LEED-certified build and an increase of \$200,000 over a minimum build. Additionally, this option is estimated to be approx. \$1.4 million less than a net zero building; however, net zero buildings are eligible to apply for grant funding with FCM. The maximum FCM grant would be \$750,000, 15% of the maximum \$5,000,000 loan amount. The FCM grant process takes 6 months and is competitive. If we are successful in receiving this grant the net zero construction cost would be approximately \$9,500,000. The most cost effective way to meet net zero is with the installation of solar panels. 5000 square feet of roof top solar panels would provide approximately 90kW of electricity. An additional 10,000 square feet of ground mount solar panels on the property adjacent to the police services building would also be required to meet net zero requirements.

The four cost options are:

- Option #1 Design to meet minimum code and legislated requirements: \$8,650,000.
- Option #2 Design to meet architects' recommendations: \$8,852,241
- Option #3 Design to meet LEED certification: \$8,909,500 to \$9,515,000
- Option #4 Design to meet NetZero (and be eligible for FCM grant funding): \$10,250,000

Legal and legislated requirements

A new police station is required as the existing building does not meet the current requirements of the Police Services Act.

Financial and resource implications

If the municipality utilizes the maximum FCM loan of \$5,000,000 then the balance of the net cost would need to be financed through a debenture, which has the advantage of repayment terms up to 30 years. Current 30-year debenture rates are 3% so depending on the final cost the estimated annual loan repayment may be \$450,000 to \$550,000.

There will also be construction financing that will be required when payments are issued to the contractor until final long-term borrowing is secured. The current rate for construction borrowing is 0.60% and depending on the timing and amount of the draws, the estimated cost during the year of construction is \$300,000.

Staffing implications

None

Consultation

Formworks Inc. Architects – Architect and Project Management

Marshall & Murray Inc. – Cost Consultants

Kerri Mighton, West Grey Director of Finance and Treasurer



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Alignment to strategic vision plan

Pillar: Build a better future

Goal: Vibrant community

Strategy: Maintain and invest in our infrastructure

Attachments

Draft Class C Estimate

Next steps

The Architect, working with the engineers and consultants, will prepare all construction documents and proceed to tender.

Respectfully submitted:

Karl Schipprack, Director of Development Services/CBO