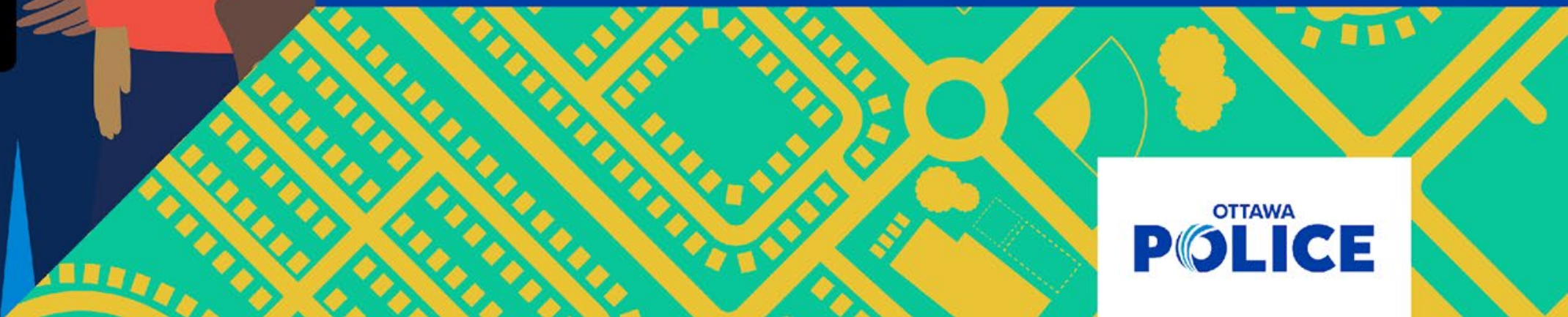




South Facility Project

Phase B.2 Financial Strategy

September 7, 2023



Agenda

Objective:

Demonstrate the Phase B.2 cost projections and seek consensus for the financial strategy to address the funding gap

Review

- Board Approvals to Date
- Project Status & Funding
- Phase B.2 financial strategy
- Schedule & Phase B.2 project integration
- Next Steps

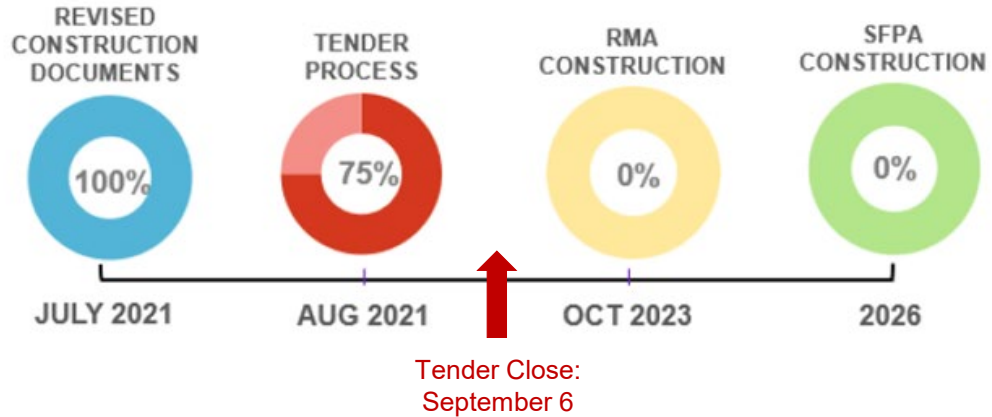


Board Approvals

2023 Timeline	Activity
January	Board Approval of Facilities Strategic Plan (FSP) Refresh <ul style="list-style-type: none">• South Facility as foundational project• No increase to FSP funding value (\$219M)
<i>Feb – March</i>	<i>Restart of South Facility Project</i>
April	Board Approval to award Contract amendment to South Prime Architect & PM Team <ul style="list-style-type: none">• Services associated with re-tendering and Construction phase
<i>May - June</i>	<i>South Project Team prepares construction package and releases Tender packages</i>
June	Board Approval to cancel Queensview Expansion project & blend scope and funding into South Facility Project (Phase B.2)
July	Board Approval to award Road Modifications construction contract
<i>July – August</i>	<i>Phase B.2 funding strategy developed</i>

Project Status

Project Progress to Mid-August



Completed Actions

- Permit & Construction Document validation
- Pre-qualification of General Contractors
- Road modifications – Tender complete & Contract awarded
- Main Construction - Tender closed

Project Activities in Flight

- Road modifications construction
- Main Construction tender award validation
- Consultant teams mobilizing for Construction phase
- Design team services for Phase B.2
- Pre-planning for Tenant Fit-Up

Funding Status

Facilities Strategic Plan: Financial Breakdown

Approved FSP 2023-2037	Board Approvals	Current FSP
<p>South Facility Ph. A & B Lodge Road \$ 178.0 M</p> <p>Elgin B-C 474 Elgin Street \$ 16.88 M</p> <p>Swansea 2 & 3 2799 Swansea Crescent \$ 7.23 M</p> <p>Courts 161 Elgin Street \$ 0.92 M</p> <p>Queensview 2670 Queensview Dr. \$ 7.05 M</p> <p>Central Assessment TBD \$ 3.31 M</p> <p>PDC Expansion Algonquin College \$ 5.88 M</p> <p>2023 Total: \$ 219.27 M</p>	<p>JUNE 2023</p> <ul style="list-style-type: none"> Queensview transfer to South Facility to address Queensview facility disposal and South scope increase 	<p>South Facility Ph. A & B Lodge Road \$ 185.05 M</p> <p>Elgin B-C 474 Elgin Street \$ 16.88 M</p> <p>Swansea 2 & 3 2799 Swansea Crescent \$ 7.23 M</p> <p>Courts 161 Elgin Street \$ 0.92 M</p> <p>Central Assessment TBD \$ 3.31 M</p> <p>PDC Expansion Algonquin College \$ 5.88 M</p> <p>Total: \$ 219.27 M</p>

June 2023 (Board Approval)

- Queensview Project Scope & Funding reallocated to South
 - City reclaiming Queensview site for future development / alternate use

South Facility Project	Current Budget
Project Budget (Phase A & B.1)	172,000,000
Phase B.2	7,046,193
Land Costs	6,000,000
Total Budget	\$ 185,046,193

B.2 Financial Overview



Financial Status	Current Budget
Project Budget (Phase A & B.1)	172,000,000
Phase B.2	7,046,193
Land Costs	6,000,000
Total Budget	\$ 185,046,193



Phase B.2	Value
Current Budget	7,046,193
Forecast to Complete	15,715,193
Cost Pressure	(8,669,000)

Funding Source	Value
Development Charges	45.00
Debt Funded	134.05
Pay As You Go	6.00

Funding Gap Drivers & Proposed Solution

Phase B.2 Drivers:

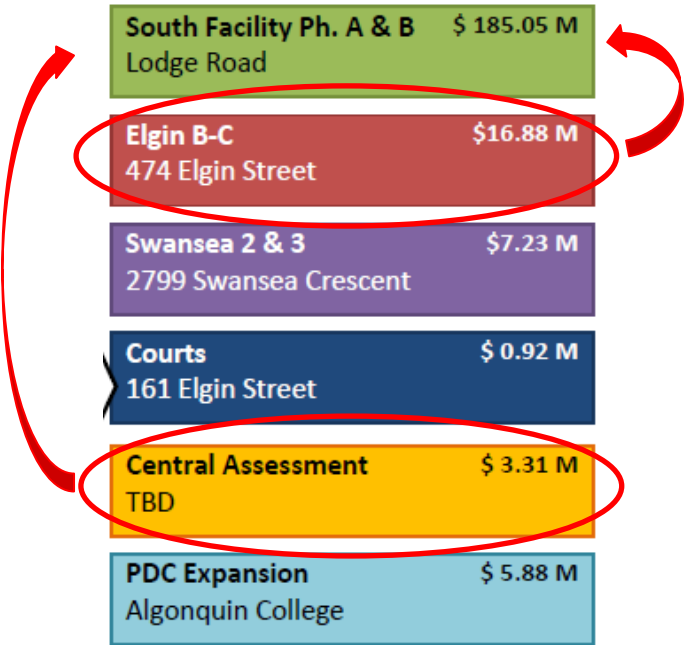
- Queensview scope area of 19,000 SqFt; South scope area of 40,000 SqFt
- Escalation due to timeline: Queensview funding (\$7.05M) based on completion in 2025

Proposed Solution:

- Transfer funding within FSP: Elgin-C & Central Assessment

Financial Strategy

Current FSP



B.2 Funding Strategy

- No new funding ask; leverage funding assignments within existing FSP
- Reallocate funds from projects anticipated as no longer required, where scope not yet defined, in outer years
 - Central Assessment
 - Elgin-C
- Protect critical projects; on the near horizon
 - Elgin-B; follow-on from South
 - PDC Expansion / Training Facility
 - Swansea
 - Courts re-alignment

Elgin-C (\$ 5.36M)

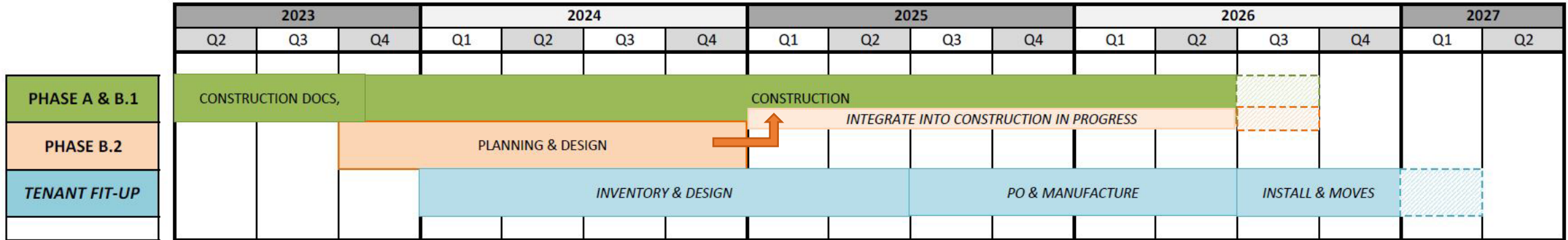
- Current start date of 2035
- Project scope & requirements currently undefined
- Debt Funded

Central Assessment (\$ 3.31M)

- Project intended to validate requirements and need for a new, additional facility in the core
- Anticipated that new central facility not required; use exiting 474 Elgin
- Debt Funded

Financial Strategy	Value
Approved Project Budget	185,046,193
Re-allocated Funds	8,669,000
Revised Budget Total	\$ 193,715,193

Schedule & B.2 Integration



- Three main project streams:
 - Construction
 - Phase B.2 Design
 - Tenant Fit-up
- Design B.2 space while A & B.1 building structure construction in progress; integrate at B.2 design completion
- Tenant Fit-Up activities run simultaneously to allow lead time for installation and moves at completion of construction

Phase B.2 Financial Considerations

- Design services
- Additional interior construction (time, materials, & labour)
- Additional furniture and staff moves

Next Steps

- September: Board Meeting: Integrated Financial Strategy, Preferred General Contractor Award + Chief's Delegated Authority
- October: Main Construction mobilization
Finalize B.2 scope and design fees; amend contracts
- November: Main Construction begins
Initiate Phase B.2 Design Development





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