

Report to / Rapport au:

**OTTAWA POLICE SERVICES BOARD
LA COMMISSION DE SERVICES POLICIERS D'OTTAWA**

27 June 2022 / 27 juin 2022

Submitted by / Soumis par:

Chief of Police, Ottawa Police Service / Chef de police, Service de police d'Ottawa

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SUBJECT: SOUTH CAMPUS PROJECT UPDATE

OBJET: MISE A JOUR: L'INSTALLATION SUD

REPORT RECOMMENDATIONS

That the Ottawa Police Service Board direct the Ottawa Police Service to:

- 1. Continue work on the South Facility and engage with other City services to explore opportunities for partnership and co-location in the new building.**
- 2. Re-examine the funding strategy for the project, taking into consideration inflationary and market pressures related to the delay of the project.**
- 3. Report back to the Board in November 2022 with an update on the project and a recommended path forward.**
- 4. Provide a refreshed Facilities Strategic Plan (FSP).**

RECOMMANDATIONS DU RAPPORT

Que la Commission de services policiers d'Ottawa ordonne au Service de police d'Ottawa de:

- 1. Poursuivre les travaux d'aménagement de l'installation Sud et de collaborer avec d'autres services de la Ville pour explorer les possibilités de partenariat et de cohabitation dans le nouvel immeuble;**

- 2. Réexaminer la stratégie de financement du projet, en tenant compte des pressions inflationnistes et du marché liées à la tardiveté du projet;**
- 3. Rendre compte à la Commission en novembre 2022 en faisant le point sur le projet et en recommandant une voie à suivre;**
- 4. Fournir un plan stratégique des installations (PSI) actualisé.**

BACKGROUND

The South Facility is the central piece of the Ottawa Police Service's (OPS) Facilities Strategic Plan (FSP) that was approved by the Ottawa Police Services Board (Board) in 2013. The design of the South Facility has been ongoing since the Board approved the contract for the design and architectural services in 2018.

Located at 3505 Prince of Wales Drive, the South Facility site encompasses approximately 15 acres (City land) and the plan is to develop approximately 8 acres, leaving 7 acres for future development. The building is 218,000 square feet, with approximately 38,000 square feet to be designated for a partnering agency.

The South Facility is intended to replace the Leitrim and Greenbank stations, as well as several leased properties. The Leitrim and Greenbank stations are pre-amalgamation facilities that are at capacity and end-of-life. The South Facility is critical for the OPS to be able to serve the growing communities in the south, southeast and southwest of Ottawa. At present, there is no room for any type of growth at either Leitrim or Greenbank, and neither facility can be renovated or retrofitted without addressing significant changes to building and safety codes, which would be costly and not recommended (poor use of taxpayer funds).

The new facility will include a new 911 Communications Centre to ensure critical continuity of services to all Ottawa residents. It will be a modern alternative for emergency response which will ensure the continuation of services in the case of a disruption.

The facility will also provide a unique opportunity for the OPS to partner and co-locate with other City or community services in a modern, resilient building, to advance our Community Safety Well-Being (CSWB) strategy.

The design of the first phase was completed to support the initial construction tender release in December 2020. Following that period, the OPS recognized the need to ensure the design could accommodate a partner to better serve the community.

In April 2021 the Board supported the recommendation from the Service to reassess the South Facility Project. This reassessment recommendation included completing the

design of the second phase of the facility, engaging with City partners to explore opportunities for community integration in the facility, and creating a go forward funding strategy.

The direction at that time included cancelling the initial tender and refreshing the OPS' FSP to better align with the changing needs of the community. Note, the design of second phase was completed in February 2022 (and is ready for tender as part of the project).

If approval to tender, and the project is received in late 2022, a contract could be awarded in early 2023 and occupancy (for the OPS) would occur in Q2 2026. The timing of a partner occupancy would still need to be determined; shell space would be constructed for our partner(s) and the interior design would only be completed once the partner's requirements are known.

With the designs of the first two phases of the facility complete, the Service began meeting with key stakeholders (the Board Chair, City of Ottawa Finance, Emergency Protective Services, and the City Manager) to determine the best path forward and to look at integration of City or community partners in the South Facility.

The OPS has also continued to monitor the unprecedented escalation and inflation pressures within the construction sector to determine the financial and planning implications.

DISCUSSION

The purpose of this report is to provide the Board with an update on the status of the South Facility Project based on the April 2021 direction, to outline the next steps for the South Facility, and to obtain Board approval/direction for these next steps (i.e., the recommendations).

The reassessment strategy work that the OPS completed following the April 2021 direction from the Board was centered around integration and the advancement of our CSWB initiatives. As part of the reassessment strategy, the OPS decided not to move its Corporate Services teams to the new South Facility which made approximately 38,000-square-feet of space available for the integration of a partner(s). New hybrid work opportunities allow staff to utilize less space; this reduced footprint will be figured into the overall refreshed FSP.

Activities have advanced since April 2021 and have positioned the OPS to begin meeting with City departments (potential partners) to present details including the space available and functional requirements.

The OPS is also undertaking a revised financial strategy to account for the significant cost pressures on the project. Project costs have escalated due to delays in moving the project forward. As such, the project is impacted by disruptions in the supply chain related to the COVID 19 pandemic, inflation, and labour market shortages. The National Capital Area has numerous large-scale projects underway (or soon to be underway) which will put enormous pressure on the local construction market.

The OPS is now positioned to look at a go forward funding strategy in parallel with the refreshed FSP.

CONSULTATION

The OPS completed preliminary discussions with the City and, with Board support, will be able to meet with leaders of specific City departments to present building highlights, potential for partnerships, the sharing of space and infrastructure, and a funding strategy.

In addition to consultation that has taken place, the OPS will meet with the following City services in the 3rd quarter of 2022: Emergency and Protective Services Service Ottawa, 311 Call Center, and Community and Social Services to discuss potential partnerships.

FINANCIAL IMPLICATIONS

This initial approved budget for the South Facility (in 2017) was \$109.2 million. In 2021, the budget was increased to \$118.2 million after the Board approved, moving the \$9 million budget that was assigned to the 911 Communication Centre into the South Facility budget (911 Communication Centre is slated for the second phase of the project). The approved funding strategy for the project included debt funding of \$72.3 million and using \$45.9 million of Development Charges. To-date, \$11 million has been spent to design the facility.

The South Facility project team continues to identify cost pressures due to increased escalation associated with construction/materials and market conditions. Statistics Canada and experts consulted by the OPS are indicating that construction projects tendered during 2021 up to Q3 2022 are seeing 13 percent increases in costs across the country and over 17 percent increases in costs in the Ottawa region.

The first two phases of the South Facility were ready for tender as of April 2022, however, current market conditions remain in fluctuation and there remains uncertainty in the construction industry. Consulted Subject Matter Experts are advising to wait until Spring of 2023 for global market stabilization. It is recommended to advance a partnering solution during this timeframe and report back to the Board in November 2022 with a revised financial strategy and implementation plan and timeline.

CONCLUSION

The OPS will meet with potential City partners who may have an interest in collocating at the South Facility to transform it into a CSWB Centre that will service the growing city of Ottawa.

The OPS will report back to the Board in November 2022 to provide an update regarding partnership opportunities, financial strategy, and implementation plan within the context of an updated FSP.