

**BUSINESS CASE FOR
SCANLON CREEK OPERATIONS CENTRE
RENOVATION PROJECT**

Presented to the City of Kawartha Lakes

Budget 2018



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EXECUTIVE SUMMARY

The Scanlon Creek Operations Centre (formerly the Outdoor Education Centre) is a 16,500 square foot single storey building with basement originally constructed in 1978, with additions to the dormitories completed in the 1990's. With a change in organizational size and staffing needs, LSRCA undertook a minor renovation of the building interior in 2014 in order to provide a satellite Operations Centre, similar in function to the Administrative Office in Newmarket. Currently the Scanlon Creek Operations Centre is home to 25 staff (permanent fulltime and contract) representing the Conservation Land Division and the Education and Outreach Program.

To keep pace with the anticipated growth throughout the Lake Simcoe watershed and the related service requirements LSRCA has forecasted continued growth as an organization over the next 5 – 10 years. To accommodate this growth it is necessary to provide more space for staff to operate out of – space that is highly functional, energy efficient and accessible to clients.

In September 2016 LSRCA retained the services of an architectural firm to begin the process of developing conceptual designs to complete the renovations at the Operations Centre. With the conceptual design now complete LSRCA is moving forward with detailed design and construction documentation development with the anticipation that final renovations can be completed by June 2018.

This submission seeks funding assistance to support the complete renovation of the Scanlon Creek Operations Centre. Project management and coordination will be undertaken by existing LSRCA staff, with architectural services and construction provided by outside contractors.

SITUATIONAL ANALYSIS

The Scanlon Creek Operations Centre (formerly the Outdoor Education Centre) is a single storey building with basement originally constructed in 1978, with additions to the dormitories completed in the 1990's. This 16,500 square foot building was originally used to provide environmental education programs for elementary school groups with facilities to accommodate instruction, dining, dormitory, staff, administration and support program areas.

With a change in organizational size and staffing needs, LSRCA undertook a minor renovation of the building interior in 2014 in order to provide a satellite Operations Centre, similar in function to the Administrative Office in Newmarket. Currently the Scanlon Creek Operations Centre is home to 25 staff (permanent fulltime and contract) representing the Conservation Land Division and the Education and Outreach Program.

With the continued and anticipated future growth in the Lake Simcoe watershed LSRCA expects program and service level to also experience growth in order to respond to the changing needs and pressures put on the environment by growth related activities. To keep pace with this growth and the related service requirements LSRCA has forecasted continued growth as an organization over the next 5 – 10 years. To accommodate this growth it is necessary to provide more space for staff to operate out of – space that is highly functional, energy efficient and accessible to clients.

PROJECT DESCRIPTION

In September 2016 LSRCA retained the services of an architectural firm to begin the process of developing conceptual designs to complete the renovations to transform the facility into a high functioning office and Operations Centre capable of accommodating a wide range of LSRCA staff from the Administrative Office in Newmarket, which is currently at capacity.

With the conceptual design now complete LSRCA is moving forward with detailed design and construction documentation development with the anticipation that final renovations can be completed by June 2018. When the final renovations are complete the Scanlon Creek Operations Centre will accommodate 60 – 70 staff, including amenities such as meeting rooms, wet and dry labs, equipment and file storage, and lunch room, as well as updated energy efficient mechanical systems.

Project Component	Component Cost	Status	Funding Required
Assessment and Concept Design	\$17,430	Complete	\$0
Design Development and Construction Documentation	\$58,615	Underway	\$0
Construction Administration	\$33,463	Underway	\$0
Demolition	\$73,470	Not Started	\$0
Architectural Components	\$494,196	Not Started	\$0
Structural	\$66,000	Not Started	\$0
Mechanical	\$390,000	Not Started	\$190,000
Electrical	\$185,000	Not Started	\$185,000
Contingency	\$227,039	Not Started	\$227,039
Total Cost	\$1,545,213	Total Funding Required	\$602,039

CRITICAL ASSUMPTIONS

Population levels throughout the Lake Simcoe watershed will continue to rise, and with that comes an increase demand for programs and services that are provided by LSRCA. These new requirements and pressures will place LSRCA in a position to acquire more staffing resources, develop new programs and services, enhance environmental monitoring levels, and expand watershed wide science and research. As LSRCA resource requirements increase, so does the need for space to accommodate staff and provide suitable workspace.

RISK ASSESSMENT

The risks of LSRCA not completing the Operations Centre renovation are;

- Loss of opportunity to maintain service levels of programs and services due to inadequate space resources
- Non-compliance with health and safety legislation and AODA standards with regards to building management
- Continued deterioration of a valuable corporate asset

IMPLEMENTATION TIMELINE

It is proposed that the construction phase of this renovation project will commence during the Fall/Winter of 2017, with an anticipated completion date of June 2018.

COST/BENEFIT ANALYSIS

This project benefits the residents of the Lake Simcoe watershed through LSRCA's ability to maintain service levels of vital programs and projects that are essential to the health of the Lake Simcoe watershed environment.

The building is structurally sound and will provide services for LSRCA in the form of program delivery and office space for many more years by investing in a complete building renovation. It is anticipated that the renovations will:

- reduce current operating costs by updating/replacing existing mechanical, plumbing and electrical systems
- reduce potential liabilities that could arise in the absence of up to date mechanical and plumbing systems
- enhance the asset value and services
- improve occupant productivity and satisfaction
- optimize the life-cycle economic performance of the building
- reduce the current environmental footprint of the building through updated mechanical, plumbing and electrical systems
- bring the existing Operations Centre into compliance with AODA standards

COST COMPARISONS

As part of the assessment to develop this business case LSRCA staff compared costing for complete renovation against leasing office space in York Region, Durham Region and Simcoe County. The chart below summarizes these comparisons.

OPTION	COST	COMMENTS
Renovation of Existing Operations Centre	\$1,545,213	<ul style="list-style-type: none"> Renovation cost is approx. \$100 per sq. ft.
Commercial Lease – Yonge and Davis, Newmarket (14,000 sq. ft.)	\$287,000 annually	<ul style="list-style-type: none"> Lease rate is \$20.50 per sq. ft. annually, including TMI Price does not include office set-up, including IT and furnishings
Commercial Lease – Wellington St., Aurora (5,000 sq. ft.)	\$108,600 annually	<ul style="list-style-type: none"> Lease rate is \$21.72 per sq. ft. annually, including TMI Price does not include office set-up, including IT and furnishings Does not meet space requirements
Commercial Lease – Leslie Street, Newmarket (15,435 sq. ft.)	\$538,372 annually	<ul style="list-style-type: none"> Lease rate is \$34.88 per sq. ft. annually, including TMI Price does not include office set-up, including IT and furnishings
Commercial Lease – Holland Street W., Bradford (3,713 sq. ft.)	\$112,318 annually	<ul style="list-style-type: none"> Lease rate is \$30.25 per sq. ft. annually, including TMI Price does not include office set-up, including IT and furnishings Does not meet space requirements
Commercial Lease – Brock Street W., Uxbridge (5,618 sq. ft.)	\$84,270 annually	<ul style="list-style-type: none"> Lease rate is \$15.00 per sq. ft. annually, including TMI Price does not include office set-up, including IT and furnishings Does not meet space requirements

As the chart above illustrates the most economical and fiscally responsible approach is the complete renovation of the Scanlon Creek Operations Centre. With an anticipated lifespan of between 20-25 years the investment in renovations will pay off within 3 – 5 years based on current lease rates for comparable space.

PERFORMANCE MEASURES

- Success of LSRCA programs and services delivered as a result of the building being completely renovated will provide a measurement of the value of the work.
- Expanded and/or enhanced programs and services developed as a result of a highly functioning Operations Centre.
- Better program integration amongst various Divisions/Departments as a result of placing teams together in a strategic manner.
- The length of the life-cycle obtained from the building will demonstrate the value of the renovation work completed.

CONCLUSIONS AND RECOMMENDATIONS

The value and usefulness of the Scanlon Creek Operations Centre as an asset to continue to utilize over the next 20 – 25 years hinges on a complete renovation in order to provide functional space for a growing organization. A series of facility assessments that have been completed in recent years indicate that the building is sound and with some investment in the mechanical, electrical and plumbing systems, as well as renovating the interior to provide functional space for staff and program resources LSRCA anticipates that growth in the organization can be accommodated within the Operations Centre.

It is recommended that the complete renovation of the Scanlon Creek Operations Centre continue as described in the business case and that this project be supported in the 2018 budget request of which the City of Kawartha Lake's share is \$2,411.

