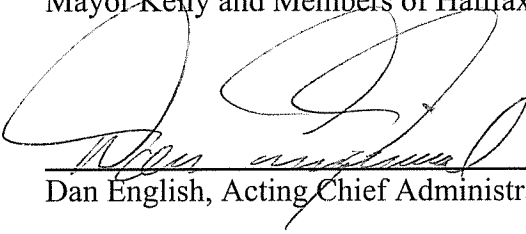


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Halifax Regional Council  
February 12, 2002

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**   
Dan English, Acting Chief Administrative Officer

**DATE:** February 4, 2002

**SUBJECT:** Eric Spicer Building Renovations - Funding

**ORIGIN**

On September 7, 1999, Regional Council approved the relocation of Police Services staff from the Eric Spicer Building in favour of a strategic consolidation of operations at the Gottingen Street facility. The vacant space created at the Eric Spicer Building (former Dartmouth Police Station) by the Police consolidation facilitated the sale of the former County Building at 2750 Dutch Village Road and the relocation of the majority of staff at this location to the Eric Spicer Building.

**RECOMMENDATION**

It is recommended that :

Council approve a budget increase of \$188,000 to account CB100175 Eric Spicer Building Enhancements. Funding to be provided by withdrawal from account CRESPOOL.

**BACKGROUND**

The 2001/2002 Capital Budget identified \$2,000,000 in account CB100175 Eric Spicer Building Enhancements. These funds were budgeted to cover the costs of renovating 47,000 square feet of the Eric Spicer Building from its dedicated police function to accommodate 150 relocated staff from the 2750 Dutch Village Road location. Funds were also included to accommodate the purchase of required new furniture for the Eric Spicer Building and the West End Mall Customer Service Centre as well as moving costs to these two locations. Included in the costs to renovate the existing office space at the Eric Spicer Building were funds to renovate a 3,000 square foot section of the attached warehouse space to provide a temporary accommodation for the Dartmouth Patrol office. This was anticipated to be a temporary measure until such time as renovations to the Dartmouth Heritage Museum building could be completed to provide a permanent site for the Dartmouth Patrol office.

A summary of the planned budget is as follows:

<b>Item</b>	<b>Budget</b>
Eric Spicer Renovations (including 3,000 square feet for Dartmouth Patrol)	1,500,000
Fees	150,000
Move Costs (West End Mall, Dutch Village Road Staff to Eric Spicer Building)	65,000
Furniture (Eric Spicer and West End Mall)	85,000
Contingency	200,000
Total	2,000,000

**DISCUSSION**

Early in the construction phase of the Police Consolidation project at Gottingen Street extensive lead dust contamination was discovered in the building, resulting in large unanticipated construction cost increases. On June 4, 2001, Regional Council approved the transfer of \$1,500,000 from Capital Project No. CB100076, Dartmouth Patrol Office, to Capital Project CBP00072 Relocation of Police Services to Headquarters Facility. The cancellation of the Dartmouth Patrol Office renovations at the Dartmouth Heritage Museum building required that the build-out of space at the Eric Spicer Building warehouse be expanded from 3,000 to 10,000 square feet and enhanced to accommodate a longer term occupancy for the Dartmouth Patrol Office. This required a complete renovation of the full warehouse area including the creation of washrooms, locker rooms and long term storage space. The costs of this phase of the renovations exceeded the budget for the temporary fit-up by more than \$200,000. This unanticipated increase in construction costs absorbed the full amount of contingency allocated in the budget.

The earlier discovery of lead contamination at Gottingen Street had alerted staff to the potential of this contamination at the Eric Spicer Building. Testing was carried out in many areas to confirm the presence, extent and degree of lead contamination at the Eric Spicer Building and Council was advised in the Gottingen Street Lead Remediation Report of June 12, 2001, of this discovery. Based on the test results, the experience gained at Gottingen Street and close consultation with the Nova Scotia Department of Labour a program of remediation for this project was developed and included in the tendered scope of work. This work, which is valued at approximately \$125,000, had not been anticipated when the original budget figures were assembled. As the level of contamination at this site was considerably lower than at Gottingen St. and the building did not have to remain functional during the cleaning the costs are considerably lower than at Gottingen Street.

As staff continue to settle into their new space in the building, further enhancements will likely be required such as parking expansion, security, additional amenities, and signage. To that end, a budget item will be recommended as part of the 2002/2003 capital budget.

### **BUDGET IMPLICATIONS**

The funding source identified for the \$188,000 is the CRESPOOL account. Staff of Finance have verified that there is currently \$341,000 available in the CRESPOOL account.

This meets the criteria for use of the Capital Pool Fund as per the Capital Pool Fund Procedures report dated May 8, 2001, and approved by Council May 15, 2001.

### **FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved operating, capital and reserve policies and procedures regarding withdrawals from the utilization of capital and operating reserves, as well as any relevant legislation.

### **ALTERNATIVES**

1. Council can choose to approve alternative sources of funding such as Real Property Services' Operating budget to cover these costs required to accommodate this shortfall. This is **not** the recommended alternative.

### **ATTACHMENTS**

None

**Eric Spicer Building Renovations  
Council Report**

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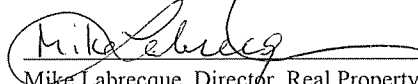
**February 12, 2001**

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Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Phillip Townsend, Manager Capital Projects, Real Property Services, 490-7166

Report Approved by:

  
Mike Labrecque, Director, Real Property Services, 490-4851