



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: April 29, 2005
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CC File No.: 8206
Meeting Date: May 12, 2005

TO: Standing Committee on Planning and Environment

FROM: City Manager

SUBJECT: Southeast False Creek Project Office Staffing and Budget

RECOMMENDATION

- A. THAT Council approve the establishment of the Southeast False Creek Project Office with an annual operating budget of \$615,000 (\$712,000 in 2005); source of funding to be the Property Endowment Fund: Southeast False Creek Development.
- B. THAT Council approve the establishment of five regular full time exempt positions, subject to classification by the Director of Human Resources, as follows: Project Manager; Development Officer; Financial Manager/Planner; Civil Engineer; and Project Administrative Manager.
- C. THAT Council approve an increase to the City fleet of one Smart car at a capital cost of approximately \$22,000, to be funded from the Plant Account, with annual cost of approximately \$8,000 per year, to be funded from the annual budget in Recommendation A.
- D. THAT Council authorize the City Manager to allocate the \$200,000 in consultant funds included in Recommendation A, and enter into contracts with the appropriate consultants, in consultation with the Southeast False Creek Steering Committee.

COUNCIL POLICY

On March 1, 2005 Vancouver City Council approved the Official Development Plan for the Southeast False Creek neighbourhood, which includes the Athlete's Village for the 2010 Winter Olympic Games.

City Council approves the establishment of regular full time positions and additions to the City fleet.

PURPOSE

The purpose of this report is to seek Council's approval to establish staff positions and a budget for the Southeast False Creek Project Office, including consulting services.

DISCUSSION

The strategy for the development of the public lands in Southeast False Creek will be to undertake as much of the work as possible using the existing expertise and resources in City departments. However, the scope and timeline to deliver the Olympic Athletes' Village by mid 2009 and develop the other City-owned lands in SEFC is complex, and is coupled with goals to attain the highest level of sustainability and environmental design standards possible. A dedicated Project Manager with a small contingent of key staff will be required to manage the project through to successful completion.

It is proposed that a Southeast False Creek Project Office be established to manage the development of the approximately 50 acres of City land in the Southeast False Creek Official Development Plan (ODP) area and to coordinate the infrastructure and public realm designs and the community heat and energy plans for the entire 80 acres in the ODP area.

It is important to emphasize and clarify the role of the Project Office as that of developer of the City-owned lands. This role needs to be separate and distinct from the role of the City as regulator. It is important that all the regulatory processes and checks and balances are in place in the appropriate departments and that the Project Office meets the same standards and tests as a private land developer.

A governance and organization structure for the Project Office has been developed to ensure this separation and clarity of roles, and to ensure administrative and political oversight of the Project. The Project Office Governance and Organization chart, attached as Appendix A, has been reviewed and endorsed by all three governance bodies shown in the chart: the Southeast False Steering Committee, the Major Projects Steering Committee, and the City Manager's Office.

In addition to drawing on existing City resources to the extent possible, the Project Office will need to call on consultants to help achieve the environmental approvals, including those required for the foreshore, and provide other specialized services including integrated sustainable public infrastructure and private realm design, storm water management, and

community heat and energy system designs. It is recommended that City Council authorize \$200,000 for this purpose, and that the City Manager be authorized to allocate the funds and enter into contracts with the appropriate consultants in consultation with the Southeast False Creek Steering Committee.

ALTERNATIVES/OPTIONS

There are essentially two approaches to managing the development of the City-owned lands in Southeast False Creek, including coordination of some of the infrastructure and community initiatives with the adjacent private lands. The first would be to contract the work to a private sector developer who would oversee the zoning and development of the site. This was the approach taken with the portion of the False Creek development west of the Cambie Bridge.

The second option, and the one recommended in this report, is to establish a project office within the City structure, staff it with resources to ensure effective and efficient coordination with the City regulatory processes e.g. Planning and Engineering, and utilize outside consultants to complete specialized tasks the project team does not have available. Given the scope and timing of this complex project, and the expertise related to the development scenario that has been created within the organization, this balanced approach of internal and external resources is appropriate.

It is expected that needs will evolve and change as the project progresses and it is recommended that the project office staffing levels and budget be monitored and assessed regularly, with a view to decreasing or increasing the staffing and budget levels as required.

FINANCIAL IMPLICATIONS

The following table presents a summary of the costs in 2005, and in following years beginning in 2006. Given the project build-out for the City-owned lands is estimated to be 2018, it is recommended that staff positions be approved as regular full time.

TABLE ONE - SOUTHEAST FALSE CREEK PROJECT OFFICE BUDGET

RESOURCES	2005 COSTS		2006 COSTS (ANNUAL)
	Plant Account	Property Endowment Fund*	Property Endowment Fund*
One time			
• office & furniture		\$70,000	
• computers		\$25,000	
• equipment - Smart car	\$22,000		
Ongoing			
• salaries & benefits - SEFC Project Manager, Development Officer, Civil Engineer, Financial Manager/Planner, Project Administration Manager		\$327,000	\$490,000
• temporary help		\$13,000	\$20,000
• office and equipment rental		\$60,000	\$80,000
• other operating -supplies, printing, displays, meetings, travel & sundry expenses, janitorial		\$17,000	\$25,000
• consultant services		\$200,000	
TOTALS:	\$22,000	\$712,000	\$615,000

* source of funding is the Property Endowment Fund: Southeast False Creek Development.

PERSONNEL IMPLICATIONS

It is proposed that five regular full time exempt positions be created, subject to classification by the General Manager of Human Resources. The following descriptions are for illustrative purposes and will be refined and adjusted as required:

Project Manager - to manage and lead the development and build-out of the 50 acres of City-owned lands in Southeast False Creek; to develop the site servicing and community energy systems for the entire lands in Southeast False Creek; and build and deliver the Athletes Village for the 2010 Winter Olympics.

Development Officer - to lead all aspects of the development of the buildings on the City-owned lands, including meeting the objectives of the ODP; achieving rezoning; developing the Request for Proposals for the Developer/Builder; leading architecture, design, and construction; meeting environmental and sustainability objectives; developing the strategy for the subsidized, affordable market, and market housing in consultation with the Housing Centre; implementing the strategies for the heritage buildings; structuring the strategy for the inter spiritual centre, community centre, and school; and leading public and stakeholder consultation.

Financial Planner/Advisor - to develop a strategy and implement practices for the Multiple Accounts Evaluation of the development; developing, implementing, and monitoring budgets and expenditures; analyzing and managing risks; forecasting budgets and costs; accounting; developing financial controls, procedures and systems for the project; developing the pro-forma for the development; maximizing external funding for the project; structuring third party agreements in consultation with Legal Services e.g. partnerships for the development of the Salt Building, School, housing; developing cost and risk controls for the Developer/builder relationship.

Civil Engineer - to manage and lead the design and construction of all aspects of the infrastructure and public realm and to meet public realm sustainability and environmental design objectives in close integration with Engineering Services and Parks; developing the Request for Proposals for Integrated Design services; soil remediation, shoreline work and fisheries habitat construction; environmental approvals; roads, sewer, water, and storm water systems; community heat and energy systems; electrical and street lighting; third party utilities including telecommunications; integration of public infrastructure with the private building designs; and overseeing the Project Office master schedule for all aspects of the development.

Project Administration Manager - to manage the administration and provide support for the Project Office including administering contracts; preparing Council reports; coordinating payroll services; handling confidential and sensitive real estate, property, and proprietary information; providing clerical support services, graphics design, and production; developing and administering the Project Office record-keeping systems; managing Freedom of Information and Protection of Privacy Act requests; providing executive support to the Project Manager and Development Officer; coordinating meetings and public consultation; and procuring supplies and services.

IMPLEMENTATION PLAN

The Project Manager has been working on the project since March on an interim basis, subject to approval by City Council of the Project Office staffing and budget. The Project Office has been established in the ground floor of the City-owned building at 1800 Spyglass Place, at the western boundary of the site. Priority will be given to filling all positions in the Project Office as soon as possible. Given the timing, some of the functions may be carried out on an interim basis by way of employment contracts or consultants.

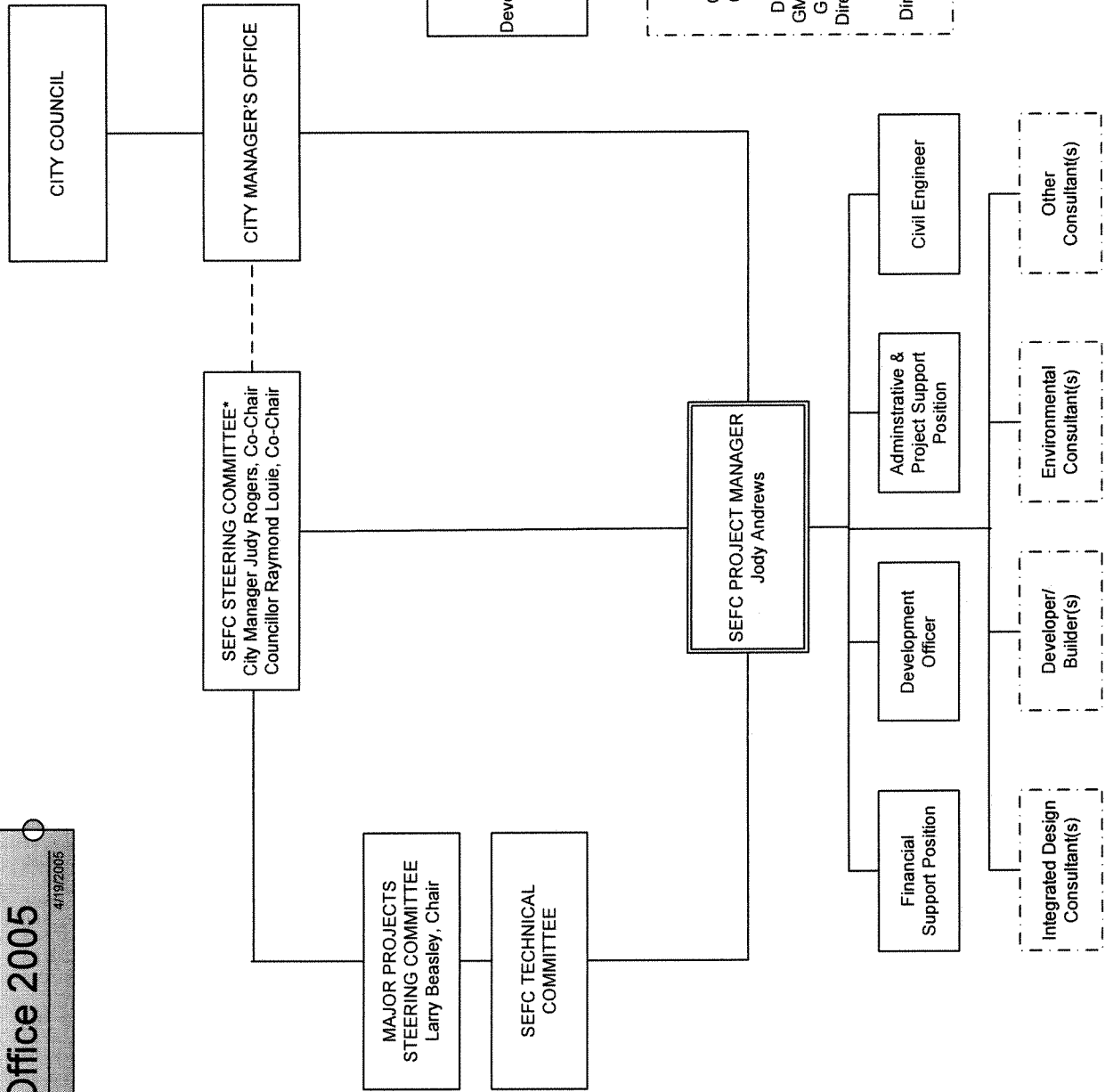
CONCLUSION

The scope and timeline of the Southeast False Creek and Olympic Village development is complex. It is recommended that the resources and expertise of existing City departments be augmented by the creation of a five-person Project Office to manage the development of the City-owned lands and the public infrastructure and community energy and heat systems for all lands in the ODP area. The Project Office will advance the City-owned land development interests for Southeast False Creek, with an initial emphasis on the Olympic Village. Included in the budget is \$200,000 for consultant resources to achieve environmental approvals,

including those required for the foreshore, and to provide other specialized services. It is recommended that the Project Office and consultant resources be funded from the Property Endowment Fund.

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**Southeast False Creek
Project Office 2005**
4/19/2005



NOTE:
Development and servicing approvals follow normal City procedure.

***SEFC STEERING COMMITTEE MEMBERSHIP:**
 City Manager Judy Rogers, Co-chair
 Councillor Raymond Louie, Co-chair
 Councillor Peter Ladner
 Deputy City Manager Brent MacGregor
 GM of Olympic Operations Dave Rudberg
 GM of Engineering Services Tom Timm
 Director of Current Planning Larry Beasley
 GM of Community Services Jacque Forbes-Roberts
 Director of Financial Planning & Treasury Ken Bayne