



## CITY OF VANCOUVER

### ADMINISTRATIVE REPORT

# A10

Report Date: May 3, 2007  
Author: GBradshaw / BSears  
Phone No.: 604.873.7616 / 7433  
RTS No.: 6620  
VanRIMS No.: 02-1200-20  
Meeting Date: May 15, 2007

TO: Vancouver City Council

FROM: The Directors of Facilities Design and Management and Real Estate Services

SUBJECT: Structural Repairs to 1122 Southwest Marine Drive

#### RECOMMENDATION

- A. That Council approve a budget of \$540,000 for major structural repairs to the building structure located at 1122 SW Marine Drive. Source of funding to be the PEF.
- B. That Council approve the appointment of Read Jones Christoffersen as Consultant to prepare tender documents and provide project management support to remediate the structural deficiencies of the existing columns and beams.
- C. THAT the Director of Legal Services be authorized to execute and deliver on behalf of Council all legal documents required to implement Recommendation B.
- D. THAT all such legal documents be on terms and conditions satisfactory to the General Manager of Corporate Services and the Director of Legal Services; and
- E. THAT no legal rights or obligations will be created or arise from Council's adoption of Recommendation A, B, C, and D above unless and until such legal documents are executed and delivered by the Director of Legal Services.

## GENERAL MANAGER'S COMMENTS

The General Manager of Corporate Services RECOMMENDS approval of the foregoing.

## COUNCIL POLICY

Consulting Services above \$30,000 in value are awarded by Council, and contracts above \$300,000 in value are awarded by Council.

## PURPOSE

The purpose of this report is to seek council approval for the appointment of a consultant to manage a tender process and to approve a budget for work on a remedial structural upgrade of a City-owned property located at 1122 SW Marine Drive.

## BACKGROUND

The subject property comprises two attached buildings, which are leased to two different tenants. General Store-All Co. Ltd., a mini storage company, occupy an area of 33,610 square feet in a newer warehouse section of the property. The older two storey adjoining building (approx 61,050 sq ft) was formerly entirely occupied by Westport Manufacturing (also known as QE Holdings), manufacturers of blinds and draperies. This property is held in the PEF asset portfolio.

In 2004 Westport Manufacturing reduced their leased area by approximately 13,500 sqft and General Store-All, agreed to expand into this space and to improve it in return for a six month rent free period. Council approved this transaction in their meeting of July 6, 2004, however the space has not been improved and occupied because Westport Manufacturing subsequently advised the City Facilities Department of structural concerns with the building. Preliminary investigations by Bogdonov Pao and Read Jones Christoffersen noted that floor and roof beams in the building did not meet current building code live load requirements and that many of the beams and columns were severely cracked further reducing the load bearing capacity of these structural elements. These same engineering companies were subsequently requested to provide a Structural Review of the premises and submit proposals for how to remediate the situation. The proposals from each firm resulted in the following budget estimates:

Bogdonov Pao Associates Ltd. recommendations for beam and column repairs resulted in an anticipated \$665,000 (project budget), not including consulting fees.

Read Jones Christoffersen submitted recommendations with an anticipated budget of \$385,000 and consulting fees of \$45,000. The Director of Facilities Design and Management notes that this proposal is also less disruptive for the operations of the existing tenants.

Due to the nature of the work involving extensive rehabilitation of the existing columns and beams, staff in Facilities Design and Management have recommended a budget value of \$540,000, including consultant services, construction and project contingencies.

## FINANCIAL IMPLICATIONS

Both leases provide for stepped rents, it is estimated that the total annual rent next year, if the property were fully leased, would be approximately \$400,000 plus rent in lieu of taxes. The vacant area, if occupied would generate approximately \$59,000 of this. The property is being held long term in anticipation of potential rezoning and redevelopment opportunities.

The property is owned by the PEF and accordingly, the source of funds for the structural repairs will be the PEF.

## CONCLUSION

The proposed remedial work is recommended to improve the safety of the existing occupants and so as to allow for the 13,500 sq.ft. vacant area to be improved and occupied and is considered good value overall.

\* \* \* \* \*