

# LATE DISTRIBUTION FOR COUNCIL - NOVEMBER 13, 2007

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CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: November 7, 2007  
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Meeting Date: November 13, 2007

TO: Vancouver City Council

FROM: The Project Manager for the Southeast False Creek & Olympic Village Development (the "Project Manager")

SUBJECT: Southeast False Creek and Olympic Village - Additional Funding for Salt Building Foundation Upgrade

## RECOMMENDATION

- A. THAT Council approve an additional \$413,277, plus applicable taxes, to the Salt Building budget for the construction of the basement foundation walls and floor slab, including related works (collectively, the "Basement Works"); source of funding to be the Property Endowment Fund: Southeast False Creek Development;
- B. THAT the City Manager be authorized to execute and deliver on behalf of the City change orders to the City's contracts for the Basement Works as set out in A above;
- C. THAT all legal documents for such change orders be on terms and conditions satisfactory to the City Manager and the Director of Legal Services; and
- D. THAT no legal rights or obligations will be created or arise by Council's adoption of Recommendations B and C above unless and until such legal documents are executed and delivered by the City Manager.

## CITY MANAGER'S COMMENTS

The City Manager recommends approval of A, B, C and D above.

## COUNCIL POLICY

Funding for all capital expenditures must be approved by Council and Council approves the award of contracts that exceed \$300,000.

## PURPOSE

This report seeks approval of additional funding for the Salt Building foundation upgrade construction budget, and seeks authorization for the City Manager to execute and deliver on behalf of the City change orders to the City's contracts for the Basement Works up to \$413,277, plus applicable taxes, in value.

## BACKGROUND

On March 1, 2005, Council approved the Official Development Plan ("ODP") for the Southeast False Creek neighbourhood, which sets the framework for development of the Southeast False Creek ("SEFC") neighbourhood.

On May 12, 2005, Council approved the establishment of the SEFC and Olympic Village Project Office (the "Project Office") to manage the development of the City-owned lands in SEFC (including Area 2A, the site for the Olympic Village), as well as the design and facilitation of the public infrastructure for the entire ODP area. This includes selecting a developer and work with the developer to design and construct the buildings on City lands in Area 2A, as well as designing and constructing the parks, streets, waterfront, other public spaces, and site servicing infrastructure, including sewer, water, storm water, energy and other utilities within the SEFC ODP area.

On November 16, 2006, Council approved a budget of \$1,900,000 for the upgrade of the Salt Building foundation and related works, and authorized the City Manager to enter into a contract with Ruskin Construction Ltd. ("Ruskin") for the upgrade of the Salt Building foundation at an estimated cost of \$1,657,370.00 plus GST.

The Salt Building is located at 85 West First Avenue (the "Property"). The foundation upgrade work is required as part of the structural upgrade of this heritage building to prepare it for use during the 2010 Olympic & Paralympic Winter Games by VANOC, and afterwards for a still-to-be-determined use. The initial foundation upgrade work included the installation of steel sheet piles partly around the perimeter, construction of a concrete slab and retaining walls partly around and under the building, and demolition of a decrepit northern addition.

On June 27, 2006, Council approved a short-list of four Respondents to participate in the Request for Proposals for the Restoration and Reuse of the Salt Building (the "RFP"). The RFP was issued on July 6, 2007 and is anticipated to close mid-November. Staff will report to Council, prior to the winter break, for consideration of the proponent responses to the RFP.

## DISCUSSION

The next phase of the Salt Building foundation upgrade work is the construction of the Basement Works at the north end of the Property. Specifically, this work involves the

construction of three concrete retaining walls, concrete slab, perimeter drainage system and tie-in to the existing sheet pile and retaining walls. The design for these Basement Works will allow for flexibility in the design of any superstructure to be constructed above as an extension to the Salt Building. The design of the superstructure and addition will be undertaken by the successful proponent as determined through the RFP process.

The construction of the Basement Works must be commenced during November 2007 in order to coordinate this work with the overall site development schedule and logistics. Since construction of the Basement Works integrates with the initial foundation upgrade work undertaken by Ruskin, pursuant to its existing contract with the City, it is preferred that the Basement Works be added to the Ruskin contract via change order at an estimated amount of \$413,277, plus applicable taxes. However, should the negotiations for a change order not be successful with Ruskin, the City will pursue adding this work to one of the other contracts the City has for the construction of infrastructure and related works in SEFC Area 2A.

### **FINANCIAL IMPLICATIONS**

This report recommends that Council approve an increase to the Salt Building foundation upgrade construction budget of \$413,277, plus applicable taxes, for the construction of the Basement Works: funding to be provided by the Property Endowment Fund: SEFC Development.

The total budget to date for the SEFC and Olympic Village Project, including the proposed budget increase in this report, is within the amount allocated in the pro-forma for the SEFC development.

### **CONCLUSION**

The SEFC and Olympic Village Project Manager seeks approval of additional funding for the Salt Building foundation upgrade construction budget (with funding to be provided by the Property Endowment Fund: SEFC Development), and seeks authorization for the City Manager to execute and deliver on behalf of the City change orders to the City's contracts for the Basement Works up to \$413,277, plus applicable taxes, in value.

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