



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: November 27, 2008
Contact: Jody Andrews
Contact No.: 604.871.6859
RTS No.: 07606
VanRIMS No.: 08-2000-20
Meeting Date: December 16, 2008

TO: Vancouver City Council
FROM: Project Manager, Southeast False Creek & Olympic Village
SUBJECT: Southeast False Creek Area 2A - Site Servicing Funding

RECOMMENDATION

THAT Council approve additional contingency funding of \$3,000,000 for public spaces and infrastructure costs for Southeast False Creek development; source of funding to be the Property Endowment Fund: Southeast False Creek Development.

CITY MANAGER'S COMMENTS

The City Manager RECOMMENDS approval of the foregoing.

COUNCIL POLICY

On March 1, 2005 Council approved the Official Development Plan ("ODP") for the Southeast False Creek ("SEFC") neighbourhood, which sets the framework for development of the SEFC neighbourhood, including Area 2A (the site of the Olympic Village).

Funding for all capital expenditures must be approved by Council.

PURPOSE

The report seeks Council approval for additional contingency funding of \$3,000,000 to support public spaces and infrastructure costs for SEFC Area 2A.

BACKGROUND

On March 1, 2005, Council approved the SEFC ODP, which sets the framework for development of the SEFC neighbourhood, including Area 2A.

On May 12, 2005, Council approved the establishment of the SEFC and Olympic Village Project Office (the “Project Office”) to manage the development of Area 2A (the Olympic Village) and the other City-owned lands in SEFC. The work plan of the Project Office includes three main tasks:

1. the design and construction of public spaces and infrastructure by hiring and coordinating a team of design consultants and construction contractors to design and build the public infrastructure, roads, waterfront, plaza and parks;
2. selecting and working with a developer (the Vancouver Salt Company) to design and construct the shell rehabilitation of the Salt Building, a Heritage Class B listed building, which will continue to be owned by the City; and
3. selecting and working with a developer (Millennium) to design and construct the remaining buildings in SEFC Area 2A (the Olympic Village).

The development of the public spaces and infrastructure began with site preparation in early January 2006. The first contract included the removal of decking and piles in the inlet northwest of the Salt Building. This work was followed by six other completed contracts that included the following work items: construction and removal of a cofferdam to facilitate the environmental remediation of the inlet area; removal of contaminated material from the roadways and backfill with clean material; densification of the waterfront to increase the structural stability of this area; installation of sheet pile and rip rap along the waterfront; and construction of the island.

The development of the public spaces and infrastructure will continue until October 2009. There are five contracts currently underway: the re-construction of 1st Avenue; construction of the utilities and services within Area 2A; installation of the streetscapes and public realm treatments along the waterfront; installation of the streetscapes and public realm treatments within Southeast False Creek Area 2A; and construction of the park west of the Area 2A (the hinge park).

The public spaces and infrastructure design consultancy and construction contracts have been approved by Council, including funding and contract award approval. The budget for the work completed or currently underway is approximately \$110 million.

Council has also approved contingency funding for use by the Project Manager to cover change orders and additional work items related to design or construction of the public spaces and infrastructure under existing contracts or for new contracts up to an individual maximum of \$300,000 in value – the current level of administrative authority. A summary of the previously approved amounts is shown in the table below:

Approval Date	Amount	Purpose
May 12, 2005	\$200,000	consultants
January 19, 2006	\$1,000,000	design and construction of public spaces and infrastructure
July 18, 2006	\$1,000,000	
November 16, 2006	\$1,000,000	
January 30, 2007	\$2,000,000	
July 24, 2007	\$1,000,000	
March 11, 2008	\$1,500,000	
Total	\$7,700,000	

DISCUSSION

The contingency budgets for change orders and additional work items related to design or construction of the public spaces and infrastructure have now been fully allocated. This report recommends approval of an additional \$3,000,000 budget to allow the development of public spaces and infrastructure to continue.

Examples of activities to be funded are:

- construction site logistics including fencing and site office;
- construction site security;
- change orders to existing construction contracts for public spaces and infrastructure construction;
- change orders to existing construction services consulting agreements to provide for field review by the designers; and
- change orders to design contracts to address modifications to design drawings.

FINANCIAL IMPLICATIONS

The City's involvement in the SEFC development are being managed within a development pro forma approved by Council in 2005 and amended in 2006. This pro forma accounts for all of the revenues and expenditures related to the site over the full 18 to 20 year development period.

The funding approved to date and the proposed additional funding falls within the pro-forma for the SEFC development. In some cases, this funding will be recovered from other sources identified in the SEFC Financial Plan, including development cost levies (infrastructure and park development), community amenity contributions (non-market housing) and/or private property owners (direct contributions).

The additional funding of \$3,000,000 for site servicing and other development costs will be provided from the Property Endowment Fund: Southeast False Creek Development.

CONCLUSION

The Project Manager for SEFC and Olympic Village Development seeks Council approval of additional contingency funding of \$3,000,000 for site servicing and other development related costs for the Southeast False Creek development in SEFC Area 2A.

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