

Sent via Facsimile - 905-895-1238

April 14, 2005

Chair Bill Fisch
Regional Municipality of York
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120 Bayview Parkway
Box 282
Newmarket, Ontario
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Dear Chair Fisch:

Re: Funding Strategy - LSRCA Administrative Office

Further to our meeting on April 5, 2005, our Board of Directors held a special meeting on April 14, 2005, to consider a funding strategy for our new administrative office.

The Board considered the attached Staff Report No. 04-05-AC, and passed the following resolution:

A

Moved by: T. Taylor
Seconded by: J. Young

Watershed***For Life***

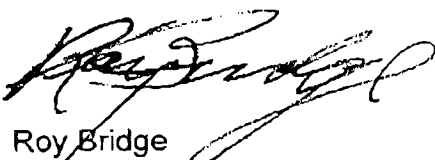
BOD-05-83 **RESOLVED THAT Staff Report No. 04-05-AC regarding the Funding Strategy for the expansion and renovation of the Administration Office be approved subject to confirmation of support by the Region of York; and FURTHER THAT staff be directed to finalize the agreement with the lowest bidder for the construction of the building.**

The Board also acknowledged the leadership that York Region has shown in assisting our Authority in obtaining the "Leadership in Environment and Energy Designation" for our new building.

Thank you again for your assistance with this project.

Yours truly,




Roy Bridge
Chair

c Michael Garrett, CAO, York Region (fax: 905-895-0847)
Sandra Cartwright, Commissioner of Finance and Treasurer (fax: 905-895-9452)
Sandra Hanson, Director, Corporate Services and Land Management

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Staff Report No. 04-05-AC
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File No. AADC13
Agenda Item No. 4 AC-03-05

TO : Administrative/Building Committee

FROM : Sandra L. Hanson, CMM III
Director, Corporate Services and Land Management

DATE : April 3, 2005

SUBJECT: Funding Strategy - For the expansion and renovation of the Administration Office in Newmarket.

RECOMMENDATION: THAT Staff Report No. 04-05-AC regarding the Funding Strategy for the expansion and renovation of the Administration Office be approved subject to confirmation of support by the Region of York; and
FURTHER THAT staff be directed to finalize the agreement with the lowest bidder for the construction of the building.

Purpose of Staff Report:

The purpose of this Staff Report is to provide an update to the Authority's Board of Directors regarding the status of the proposed new office building as well as to outline the next steps in this process.

Background:

At the Board of Directors' March 18th meeting, Members directed the Chair, York Region Board Members, and staff to schedule a meeting with the Region of York to discuss the shortfall in funding for the building project and to pursue opportunities for additional funding support.

This meeting was held on Tuesday, April 5th, 2005, with the following in attendance:

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For the Region:

Bill Fisch, Chair
Mike Garrett, CAO

For the Authority:

Roy Bridge, Chair, LSRCA
John West, Chair, Building Committee
Mayor Tom Taylor, Board Member, York Region-Newmarket
Mayor Jamie Young, Board Member, York Region at Large
Sandra Hanson, Director Corporate Services and Land Management

Issues:

John West reviewed the Project Information Report to the Region which provides background information on the building expansion project, information pertaining to the reasons for the financial shortfall as well as the Authority's decision to pursue LEED designation for the project. This report is attached as Appendix 1.

A report on the sources of funding was also distributed to the Region, which is attached as Appendix II, showing the breakdown of the current funding of \$3,062,600. The report also included a list of other opportunities for grants that the Authority is or will be pursuing to reduce the current shortfall in funding of \$545,000.

We advised the region that based on discussions with their staff the amount of grants we could reasonably expect would be an additional \$20,000 to \$25,000. We noted that we were also advised by regional staff that over the last couple of years construction costs have increased by 10 to 15%.

Chair Fisch advised that while he felt the amount of the shortfall was large he felt that the Authority's decision to pursue LEED designation was one he could support in that we are a conservation agency and should be leading by example.

Impact on Authority Policy:

There is no anticipated impact on any Authority policy.

Impact on Authority Finances:

The Authority asked for the Region of York to consider support in three areas.

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- (1) Included in the \$3,062,600. of current funding is a contribution from Conservation Ontario in the amount of \$235,600. Conservation Ontario wishes to finance this contribution over 10 years by entering into an agreement with the Authority. We asked if they could increase their approval for debenture by this amount.
- (2) A request was made that York Region sponsor the Authority with their application for grant for the Green Municipal Fund. Chair Fisch advised that this could be either York Region or a smaller municipality, depending on what is better for the Authority.
- (3) It was requested that York Region consider lending the Authority the \$545,000 shortfall in order that the Authority can proceed with finalizing the contract for construction. The proposals have a 90 day guarantee on the tendered prices which will expire on May 4th, 2005.

Authority staff are proposing that other sources of funding be vigorously pursued, ie: grants and other donations to reduce the amount being loaned by the Region. Staff have asked that the loan be structured to allow for accelerated payments, in the event the Authority is able to handle it through future year surplus or other means.

Included in the report on funding sources was the annual costs for loan/debenture assuming a 5% interest rate/10yr term. As a worse case scenario, if the Authority had to borrow \$500,000 from the Region it would cost \$63,500 annually. This \$63,500 would be found from within the general levy and would not affect the Authority until 2006. The following is a breakdown of the general levy apportionment by municipal partner using current year CVA:

	Annual Share Loan	Share Total Cost
Region of York	\$ 37,935	\$ 298,700
Region of Durham	4,578	36,050
City of Barrie	12,903	101,600
City of Kawartha Lakes	312	2,450
Municipality of Bradford West Gwillimbury	2,336	18,400
Municipality of Innisfil	3,486	27,450
Municipality of New Tecumseth	305	2,400
Municipality of Oro Medonte	813	6,400
Municipality of Ramara	832	6,550
	\$ 63,500	\$ 500,000

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Summary & Recommendations:

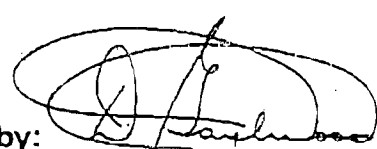
The Authority has a strategy to fund the \$545,000 shortfall for the administration office that will enable the project to proceed with the addition to the new administration office. This has been a long process, which began in 2001, and it is hoped that staff will be in the building by the end of 2005.

The proposed design for the new building has been approved, the building permit is in place, the site is cleared and a proven contractor has been hired.

Staff are recommending that the Board approve the strategy to fund the shortfall that has been outlined in this report and, subject to approval from the Region of York Council, staff be directed to proceed with finalizing the construction contracts in order to proceed with the construction of the building and to set a date for the sod turning ceremony.

Prepared by: 

Sandra L. Hanson, CMM III
Director Corporate Services & Land
Management

Recommended by: 

D. Gayle Wood, CMM III
Chief Administrative Officer/
Secretary-Treasurer

Attachment(s):

- 1) Report on Administration Office Expansion - April 5, 2005
- 2) Report on Sources of Funding - April 5, 2005

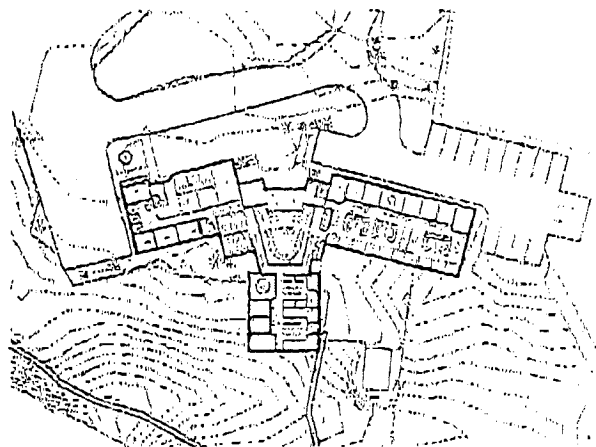
Lake Simcoe Region Conservation Authority Administration Office Expansion Project Information

LSRCA Administration Office Location

120 Bayview Parkway,
Newmarket, ON L3Y 3X1

Background

The Lake Simcoe Region Conservation Authority (LSRCA) is in the process of expanding their existing administration facilities to house an increasing number of specialists required to adequately serve provincial and municipal partners, as well as the general public. The proposed expansion will also enable them to dispense with the existing portable office structures and office trailers which are reaching the end of their useful life. The administration centre was originally constructed in 1972 and expanded in 1976 providing office area of 4,700 square feet. Further expansion was accommodated through the addition of two portable buildings and two office trailers. In 2001 studies concluded the need for expanded facilities and in 2003 LSRCA engaged a project manager and subsequently, an architect to develop the plans and specifications, to tender, and to oversee the construction of a new facility. The table below provides detail of the increased square footage that this expansion will provide.



	Upper Level	Lower Level	Total
Existing Facility	2,350	2,350	4,700
New Finished Area	8,836	6,020	14,856
Unfinished Area	-	2,818	2,818
Total Area (sq. ft.)	11,188	11,188	22,376

As stated in the LSRCA Mission Statement, the Conservation Authority provides leadership in the restoration and protection of the environmental health and quality of Lake Simcoe and its watershed. As leaders the Conservation Authority will lead by example by achieving the LEED (Leadership in Energy Efficient and Environmental Design) designation with this office expansion.

Development of the Project

The study in 2001 addressed the provision of standard, conventional office space at the lowest possible capital cost. Between the completion of the study in 2001 and the award of the architectural contract in 2004, numerous environmental initiatives became important in the overall design of new buildings. To that end, our architect, Totten Sims Hubicki Associates Ltd. was chosen because of their expertise and strength in environmentally sensitive, "green" building design. The architect is a designated LEED Accredited Professional and the design will conform to LEED.

LEED

LEED (Leadership in Energy Efficient and Environmental Design) applies a comprehensive list of design concerns to all sites and buildings, and provides the path for implementing, verifying and documenting adopted measures. Points addressed include the following:

Site:

- Confirm proximity to commuter rail station
- Storage/shower/change facilities for cyclists
- Parking to meet zoning - designate car pool spaces
- Reduce site disturbance - define construction work area
- Roof runoff is generally expected to flow onto the surrounding property and percolate naturally into the ground
- Shield neighbouring properties from site / exterior building

Water Efficiency:

- No permanent landscape irrigation plan
- Reduce building water use by 20 % (faucet / shower head aerators and infrared controls on faucets, toilets and urinals)

Energy & Atmosphere:

- Target energy efficiency of 26 to 28% better than the model

Materials and Resources:

- Provide a construction waste management plan to divert 50% of the construction waste from landfill
- Consider incorporating salvaged, refurbished or reused materials, products or furnishings for 5% of the building materials
- Incorporate building materials with recycled content equivalent to 5% of the building material value.
- Use a minimum of 20% of building materials and products manufactured within 800 km of the site

Indoor Environment:

- Meet ASHRAE 129-1997 for ventilation effectiveness
- Use low emitting adhesives and sealants
- Use low emitting paints and coatings
- Use low emitting carpet; consider acoustics in flooring
- Confirm that composite woods do not include urea formaldehyde resins
- Provide entry grille systems to capture dirt tracked into the building
- Copier rooms to be separately ventilated

- Provide one operable window and one lighting control for every 200 square feet of regularly occupied area within 15 feet of the perimeter wall
- Provide controls for airflow / temperature / light for at least 50% of the occupants in non-perimeter, regularly occupied areas
- Provide daylight to 75% of the occupied spaces
- Provide direct line-of-sight to windows for 90% of regularly occupied spaces

Current Status

Eight contractors were pre-qualified and tenders were received on February 4th, 2005. The three lowest tenders were:

▪ Struct-Con Construction Ltd.	\$2,839,000
▪ Garitano Brothers Ltd.	\$3,037,000
▪ Steelcase Construction Inc.	\$3,095,000

The contractors all met the requirements of the request for proposal. The tenders do not expire for 90 days after submission or May 5th, 2005.

Costs

Funding shortfall for the project: (\$545,000)

Explanation of Funding Shortfall:

1. Elevator added: when the lower level became occupied space by Conservation Ontario, we were obligated to make the area handicapped accessible. Consequently, the elevator was added.
2. Utility Hook-Up: An allowance of \$20,000 was carried in the budget for utility hook-ups including natural gas, power, and water / sewer / storm sewers / fire protection. Because we have completed the design that dictates a requirement to install new services to the street and a new power transformer, we have utility charges of \$125,000. Therefore, we show an increase of \$105,000.
3. Architectural: energy efficient designs include:
 - Incorporation of sustainable natural materials, e.g. wood;
 - Incorporation of building materials with a re-cycled content;
 - Low heat loss, energy efficient windows;
 - One operable window for each 200 s.f. of occupied space within 15 feet of the perimeter wall;
 - Daylight provided to 75% of the occupied spaces;
 - Direct line-of-site to windows for 90% of regularly occupied spaces;
 - Additional insulation to meet energy saving requirements; and
 - Vegetation roof over entrance as demonstration.
4. Additional mechanical:
 - Additional VAV-type mixing boxes to provide specified fresh air to each office;
 - Increased make-up air to guarantee comfort;
 - Controls for air flow / temperature / light for 50% of the occupants in none perimeter areas; and
 - Provision for in-floor radiant heating rough-in, for future conversion.

5. Additional electrical:

- No electric heat used;
- Use of natural lighting optimized; and
- Controls for lighting for at least 50% of the non-perimeter, occupied areas.

6. LEED documentation:

- Document the use of low emitting adhesives, sealants, paints, carpet;
- Document the control of run-off from the site;
- Limit the area of disturbance to the site;
- Provide a waste management plan to divert 50% of the construction waste from landfill; and
- Qualify for highest possible designation as a "LEED Qualified Building".

Reconciliation:

Funding Shortfall	(\$545,000)
Elevator added	\$57,000
Utility Hook Up Increased Cost (power, water, sewer, NG)	\$105,000
Additional Energy efficiencies	\$183,000
▪ Additional Architectural	
LEED Initiatives	
▪ Additional Mechanical	\$125,000
▪ Additional Electrical	\$50,000
▪ LEED Documentation (additional costs to GC)	<u>\$25,000</u>
Sub Total LEED related costs:	<u>\$200,000</u>
Total Reconciled	<u>\$545,000</u>

Conclusion:

Without the additional funds. of \$545,000, the Conservation Authority shall be required to go back to the design, and re-design and re-tender the project. This will impact the start of construction by at least 4 months and will push construction into winter, thereby increasing heating and construction costs. Due to the nature of LSRCA's business, it is important to "walk - the - walk"; it is important to be able to point to the "green" demonstration roof, to display the LEED Silver or Bronze Seal for an energy conserving building, to work in an environment in which staff, board members and the community can all take pride. Your assistance will help the Conservation Authority achieve these goals.

APR 15 '05 09:27

LAKE SIMCOE REGION CONSERVATION AUTHORITY
ADMINISTRATION OFFICE EXPANSION PROJECT - SOURCES OF FUNDING
April 5, 2005

Office Expansion		
Existing	4,700	sf
New	17,676	sf
Total	22,376	sf
TOTAL PROJECT COST		
FUNDING		3,607,600
Municipal Partners - Special Capital		2,400,000
Region of York	1,431,041	Debt service
Durham Region	174,824	Fully Paid
City of Barrie	490,637	Partial Paid/ 10 yr Debt service
Kawartha Lakes	12,070	Fully Paid
Bradford West Gwillimbury	87,384	10 yr Debt service
Mississauga	132,837	Fully Paid
New Tecumseh	11,286	Fully Paid
Oro Verde	29,680	Fully Paid
Ramara	29,791	10 yr Debt service
Energy Grants	25,000	1,916,767
Conservation Ontario	235,600	CBIP - Federal Energy Program
	2,680,600	10 yr Debt service (needs region approval)
Conservation Authority Contribution	402,000	2,164,367
	3,082,600	
Variance (Shortfall)	545,000	
Other Opportunities for Grants		
Other: Donations	500,000	Entire New Building Construction Program
	400,000	Newmarket Hydro
	250,000	Green Municipal Fund - Federal
	100,000	Foundation
Annual Costs for Debt service: Assuming 5% interest 10 yr term		
	63,560	Energy Unknown
	50,000	Energy Unknown
	31,000	Needs Municipal Sponsorship
	12,700	Future Opportunity Unknown
		3.85% 2005 general levy
		3.06% 2005 general levy
		1.03% 2005 general levy
		.77% 2005 general levy