



NEW BUILDING COSTS FACT SHEET

What Is The Total Budget Request To City Council?

The **total** budget request for the proposed Thunder Bay Police Campus is **\$56 million**.

Is The Budget Request Based On Current Market Realities?

- FormStudio Architects, RPL Architect and Postma Consulting were contracted to conduct professional capital cost estimates.
 - The Class D capital cost estimate for a new facility was recently updated in October 2021 to reflect current market conditions.
 - The updated capital cost estimate includes escalations from 2021 to 2023.
 - It is generally considered that a Class D estimate is within range of plus or minus 20%.
 - Any postponements or delays to construction start beyond 2023 will result in significant increases to the proposed cost estimates.
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Does The \$56 Million Budget Include All Costs?

- The new police facility can be designed, constructed, and equipped within the requested \$56 million budget cap.
 - The \$56 million budget includes costs for contingencies and potential escalations and is net of the HST rebate.
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What Are The Hard Costs?

- The hard construction cost for a new 115,161 sq. ft facility is now estimated at **\$50,149,322** (excluding HST), including the recommended 20% contingency and escalations to 2023.
 - Construction costs are calculated at \$427 per sq. ft.
 - The 20% contingency comprises 15% for design and 5% for new construction allowances.
 - An escalation to 2023 is included at \$5,123,654 (excluding HST) or 11.38% and will be mitigated through cost containment strategies in the planning, design, and construction phases.
 - In addition to construction costs, other hard costs for furniture, fixtures, equipment and moving expenses are factored into the total \$56 million budget request.
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What Are The Soft Costs?

- The soft costs provide budget for land acquisition, consulting and professional services including project management, design, engineering, administration, and other construction specialists.
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How Will Project Costs Be Contained Within The Proposed Budget?

The project development strategy provides key approaches to contain costs within the \$56 million net budget cap. These include:

- Establishing firm cost targets and limits across all components of the project.
- Reviewing the functional program to identify possible reductions to the facility size.
- Setting aggressive but achievable space targets to optimize efficiency and use without compromising functionality. Examples include reducing the number and size of private offices, using innovative design approaches to meet confidentiality needs, and designing multipurpose spaces.
- Making design decisions that limit the choice and cost of materials and building systems. Examples include a simple facility architectural design, using regular and repeatable building components, sourcing readily available and economical construction materials.
- Requiring a continual focus on cost and budget through the design process (value optimization) and overall project delivery model. The suggested Construction Management model acquires professional advice on current best pricing for building components and systems to aid in the design and selection process.

For standard architectural and engineering design projects, cost is typically only one of several priorities considered such as durability, appearance, fitness for use, energy performance etc. In this case, the priorities will be re-focused on balancing budget compliance with functionality and durability.

What Is The Impact Of A New Building On Annual Police Service Operating Costs?

A new building is estimated to have the same facility related operating costs as the existing police headquarters. The project's cost neutral assumptions are based on several factors:

- 60% improvements to energy efficiency
- operational savings through reduced annual repair and maintenance costs
- rental fee savings and,
- travel time savings for mandated training and other offsite activities.

The proposed operating budget for the new building is conservative and does not factor any potential future revenues from shared spaces, rental income, new funding, and other resource partnerships.

Have You Considered More Cost-Effective Options?

Professional consultants have studied extensive options for police facilities in Thunder Bay since 2019. Following a Motion by City Council in May 2020, the Thunder Bay Police Service re-engaged the professional services of FormStudio Architects, RPL Architect and Postma Consulting to study decentralized options in addition to centralized options.

As a result of significant studies, analysis, and financial due diligence, it has been determined that building a new centralized police facility is the most cost-effective and viable option.

Three options for centralized police facilities were studied as part of the process:

- 1. Upgrading** the current building was deemed unviable.
- 2. Renovating + an addition** to the current building is viable but also the highest cost option.
- 3. Building** a new facility is viable and the most cost-effective option.

In June 2020, the Thunder Bay Police Services Board passed a motion recommending that a new centralized headquarters be constructed and that \$56.0M net of HST rebate for the full cost of the building project, including land acquisition, project management and contingencies, be included in the 2022 capital budget for consideration.

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