

The following is a copy of **Clause F1, Administrative Report No. 15-2006** which was **ADOPTED** by City Council at its meeting held on **August 14, 2006**:

Section F – CITY MANAGER

F1) Proposed Underground Parking – Destination Complex Site
(File No: CK. 4129-15)

- RECOMMENDATION:**
- 1) that City Council approve the design and construction of an upgraded basement/foundation for the new Persephone Theatre (estimated to be \$650,000) to accommodate future construction of underground parking on the destination site; and,
 - 2) that the funds for this construction be sourced from the borrowing strategy for major recreation and cultural centres that included \$4 million for a destination complex/underground parking.

REPORT

At its meeting on December 7, 2005, City Council approved a Memorandum of Sale and Agreement with Persephone Theatre for the sale of a parcel of land located on the corner of 2nd Avenue and Saunders Place. Section seven of the Agreement notes that:

“The City’s architects have advised that in order to protect the City’s opportunity to build underground parking to the west and south of the theatre, Persephone Theatre should incorporate extra foundation and floor structure in their building. The estimated cost of such extras is \$150,000.00. The Agreement gives the City the right to ask Persephone Theatre to do this, provided the City pays for it.”

Over the last several months the City and Persephone Theatre have been working on the footprint and orientation of the building to maximize the amount of remaining land for future development and underground parking. With the optimal location established, Friggstad Downing Henry Architects developed a preliminary design for two levels of underground parking.

The preliminary underground parking design determined that, in order to maximize the number of stalls west and south of the Persephone building, part of the underground structure would need to be constructed under a small portion of the Persephone building (Attachment 1). This optimal parking configuration would require additional construction to the basement of Persephone (i.e., additional or thicker piles, columns, basement walls, structural slab, steel, etc.) which would need to be designed and built as part of the Persephone contract. In essence, the City would be building a small portion of the walls for underground parking now with the remainder constructed some time in the future.

As an alternative, the City can choose not to incorporate the additional construction into the Persephone foundation and, instead, construct the entire underground parking around the Persephone building some time in the future. However, this option (Attachment 2) would require significant shoring of the basement walls and foundation of the Persephone basement and, due to the inability to construct under a portion of the Persephone building, would eliminate approximately 50 parking stalls.

According to estimates recently received, the cost for each of these options is as follows:

Build now

(additional basement walls/ foundations, piles) \$650K

Do not build now

(additional shoring costs to build around Persephone in the future) \$495K

With the cost difference being approximately \$155,000, Administration is recommending that the foundation be constructed now to maximize the number of future parking stalls.

Should City Council subsequently determine that they do not wish to construct anything on this site and, instead, sell the land to the private sector for development, the investment in ensuring optimal underground parking could be recouped as part of the sale price.

During the 2006 Capital Budget review, an updated borrowing strategy for major recreation and cultural centres was tabled that included \$4 million earmarked for the destination complex/underground parking. This was to be repaid from assessment growth.

To meet tight construction deadlines for a December 2007 opening, Persephone needs to finalize design and begin construction this September.

PUBLIC NOTICE

Pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, Public Notice is not required.

ATTACHMENTS

1. Proposed underground parking layout partially underneath Persephone Theatre
2. Proposed underground parking layout abutting Persephone Theatre

