



Hamilton

**Provincial Offences Administration  
Courtrooms and Offices**

*January 22, 2014*



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# JOHN SOPINKA COURT HOUSE





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# CHRONOLOGY

- ***February 7, 2000*** – POA responsibilities transferred to Regional Municipality of Hamilton-Wentworth from Ministry of Attorney General.
- ***August 13, 2012*** – City Real Estate staff were informed by ORC would not renew the lease after its expiration on August 21, 2017.
- ***December 5, 2012 (GIC)*** – Motion approved for staff to initiate declaring 50 Main Street East as surplus property. Approved by Council on December 12, 2012.



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# CHRONOLOGY

- **December 10, 2012 (AF&A)** - (approved at City Council December 12, 2012) City staff directed to investigate the feasibility of part-time, temporary locations and for long-term accommodations for the Provincial Offences Administration Court House.
- **February 2013** - Public Works Facilities Division retains consulting firm MHPM Project Managers Inc. (MHPM) from roster to conduct a detailed sensitivity analysis for both a short term and long term accommodation options.



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# CHRONOLOGY

- ***November 20, 2013*** - City staff bring to General Issues Committee (GIC):
  - Provincial Offences Administration (POA) Courtrooms and Offices Report (PED13204) (PW13079) (LS13035) (FCS13090) and
  - Revisions to Relocation of Provincial Administration (POA) Courtrooms and Offices Report (PED13204a) (PW13079a) (LS13035a) (FCS13090a)
- ***January 22, 2014*** - Request for additional information from Council and direction to report back to GIC



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# 50 MAIN STREET EAST





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# FINANCIAL ANALYSIS

Table 1.5.1 - Summary of Option Evaluation (POA Perspective)

	<b>Option 1</b> 50 Main St E Capital Funding	<b>Option 2</b> New Building	<b>Option 3</b> Design-Build /Lease-Back
<b>Total Project Capital Cost/lease Payment</b>	\$32.38 M	\$39.2 M	\$5.8 M
<b>Gross Floor Area</b>	112,000	49,200	49,200
<b>Project Capital Cost/sq.ft.</b>	\$242	\$798	\$118
<b>HCE Contribution</b>	<b>(\$4.9 M)</b>	N/A	N/A
<b>Proceeds from Sale of Main St E</b>	\$0	(\$5.6 M)	(\$5.6 M)
<b>Net Present Value of Lease Savings (other Depts)</b>	(\$7.0 M)	\$0	\$0
<b>Net Present Project Costs</b>	<b>\$20.48 M</b>	\$33.6 M	\$47.6 M
<b>Earliest Available</b>	Mar-16	Sep-16	Sep-16



# FINANCIAL ANALYSIS

- **City will borrow full \$27M  
(Total Project Cost less HCE contribution)**
- **Annual Debt charge \$2.7M over 15 years  
(Debt would not be issued until 90% project completion)**
- **Debt charge funding: \$1.7M from additional POA revenues and savings/leases AND \$1M from Capital Levy**
- **Budgeted tax-supported debt level will increase from \$371M to \$398M**





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# POA REVENUE GROWTH

POA Revenues (net)	Budgeted	Actual
2007	\$2,634,370	\$2,173,257
2008	\$2,437,719	\$3,102,392
2009	\$2,461,843	\$3,155,016
2010	\$2,729,902	\$3,354,934
2011	\$3,568,850	\$3,467,948
2012	\$3,857,040	\$4,375,509
2013*	\$4,400,000	\$4,400,000

*\*projected*



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# POA REVENUES 2005-2013

Year	POA Offences Gross Revenues	Traffic Division (RLC)	Municipal Licencing & By-Law Enforcement
2005	\$5,532,823	\$456,516	\$130,899
2006	\$5,760,917	\$603,658	\$88,997
2007	\$5,050,345	\$855,615	\$91,592
2008	\$6,277,821	\$573,033	\$71,550
2009	\$6,345,178	\$956,432	\$95,428
2010	\$6,595,298	\$2,351,000	\$217,020
2011	\$6,705,412	\$2,111,593	\$184,552
2012	\$7,648,869	\$2,860,022	\$166,914
2013*	\$7,800,000	\$3,282,556	\$199,332

*\*projected revenues*



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# ADDITIONAL REVENUES & SAVINGS

- **Additional 1.5 courtrooms (potentially 2.5) will generate \$1.435M in POA revenues**
- **The capacity to process charges will be significantly increased in moving from 2.5 to 4 courtrooms. There will be an increase in revenue from fine payments on the additional charges processed with the extra courtrooms**
- **The courtrooms would be processing charges from the existing case backlog and the increasing number of new charges filed beyond what the City can currently process. Total enforcement exceeds the capacity of currently available courtrooms. The backlog of cases is growing based on calculations of the number of charges pending and time-to-trial, both of which continue to increase**
- **Approximately 50,000 square feet of space at 50 Main Street East not required by POA will generate an additional \$500,000 in revenue and/or lease cost savings**



# LEGAL ANALYSIS

- **If retrofitted 50 Main Street Courthouse beats timelines – City could give early notice to ORC and thus savings**
- **Additional court space will enhance customer service by accommodating increased demand for POA**
- **Inability to meet the August 31, 2017 timelines would substantially interfere with City obligations and revenues under the MOU**



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# FINANCIAL ANALYSIS: Construction

## **Project Cost Includes**

- **Base building renovation**
- **POA office fit-out**
- **Lifecycle renewal costs for 20 years (ReCAPP)**
- **Design, project management**
- **Design contingency (25%)**
- **Construction contingency (15%)**
- **Relocation**

**Excludes interior fit-out of non-POA areas**



## Cost Control Methods:

- There are many ways to successfully manage a construction contract and to control costs, from a stipulated price model to construction management. In recent years a '**pain/gain share**' model was adopted during the renovation of Hamilton City Hall which allowed the project team to jointly look at the potential cost of the project and ways to innovate and bring the cost down
- As part of the POA Courthouse lease-hold upgrades, best practice cost control measures will be explored and the appropriate construction tender method applied.



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# TOTAL AREA OF 50 MAIN ST. EAST

<b>Total Square Feet (50 Main St E)</b>	<b>112,000</b>
Total Usable Square Feet	99,225
POA Square Feet Required	49,200
Legal Services Square Feet Required	12,417
Risk Management Square Feet Required	3,100
Other Divisions/Tenants Square Feet Available	34,508



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# STAFFING (based on 4 Courtrooms)

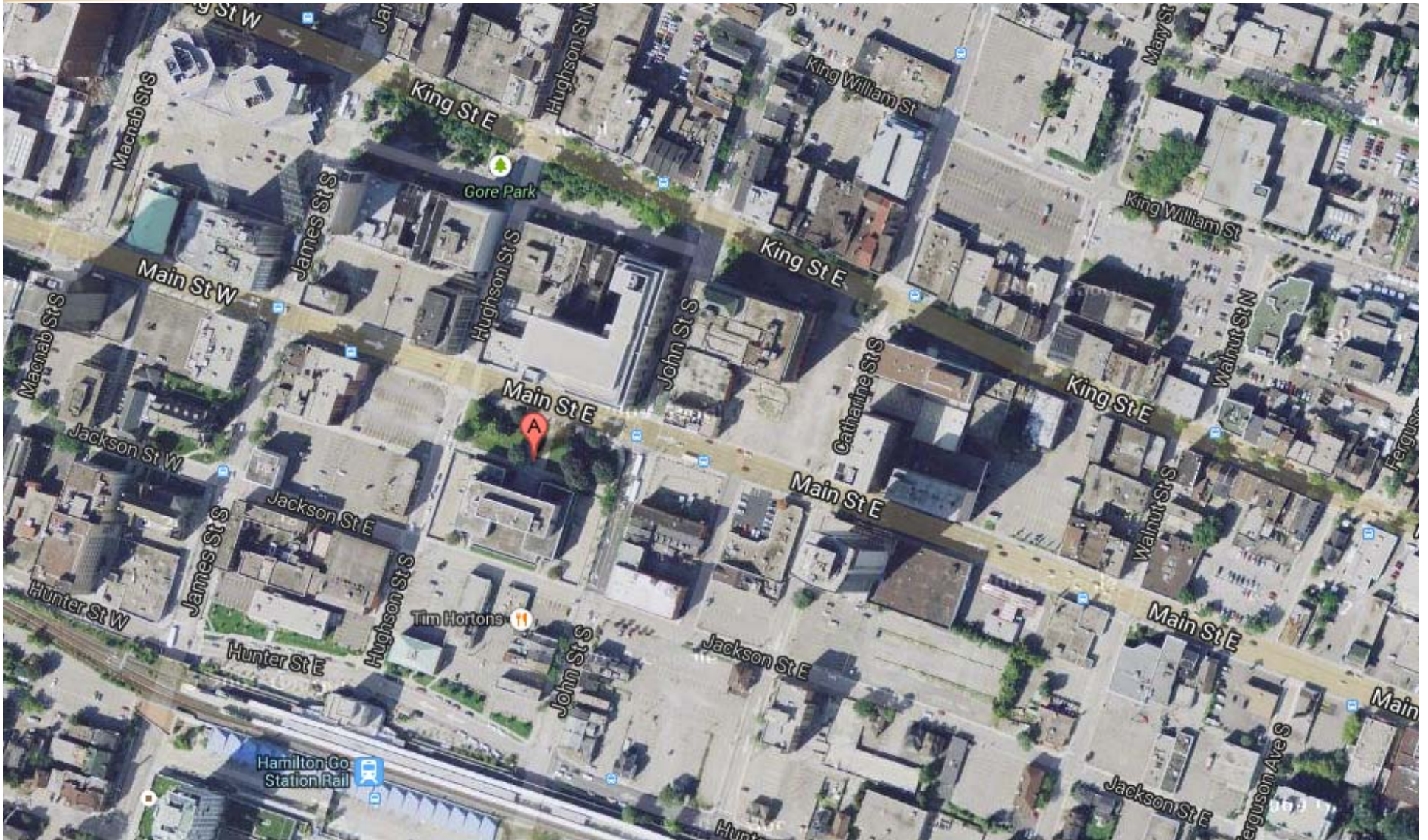
	<i>Current Staff Complement</i>	<i>2017 Staff Complement</i>
POA	22	27
Legal Services	52	55
Rick Management	9	9
Other Divisions/Tenants	TBD	140 - 150
<b><i>Total Employees (Estimated)</i></b>	83	231-241





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# LOCATION LOCATION LOCATION





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# THANK YOU

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