

Parkade Incident (Community Centre) Cost Update – July 23, 2019
Report Purpose

To provide Council an update on the increased cost estimates for the Community Centre restoration project for consideration and approval.

Recommendation

THAT an increase of \$1,000,000 (from \$14,000,000 to \$15,000,000), to be funded from municipal reserve and insurance reimbursements, for the restoration work following the November 6, 2018 incident, be approved.

Our Prioritized Strategic Goals

Goal 2 - Manage, invest and plan for sustainable municipal infrastructure

Goal 6 - Provide facilities and services that are available and accessible to residents

Report

Following the November 6, 2018 incident, as the remediation and assessment of costs has continued, it is now evident that the total costs for full restoration and damages are over the initial \$14,000,000 estimate. The original estimate was based on early assessments with lots of unknowns. The updated estimates can be summarized as follows:

	(in millions) \$
Remediation Expenses Incurred to Date	12.6
Lost 2018 Revenue	0.1
Remediation Commitments	1.7
Contingency for 2019 lost revenues, unknown expenses and finalization of damages	0.6
	<u>\$15.0</u>

To date \$9.9m has been reimbursed from insurance proceeds. Strathcona County continues to work with the insurers towards as full a recovery as possible. When this process is complete, further update and information will be brought forward to Council.

Council and Committee History

April 16, 2019	Council was provided an update on the Community Centre restoration project.
January 22, 2019	Council was provided an update on the Community Centre restoration progress, service, re-entry timelines, communication, and a financial update.
December 11, 2018	Council was provided an update on the November 6, 2018 Parkade incident. Status update included restoration progress, service and re-entry timelines, communication and a financial update.

November 27, 2018 Council approved the costs for the restoration of the Community Centre, Parkade and County Hall in the amount of \$14,000,000 with funding from insurance for all eligible costs and the R2 Municipal Contingency Reserve for ineligible costs; and if interim funding is required, that \$8,000,000 from the R2 Contingency Reserve and \$6,000,000 from the R3 Municipal Projects Reserve was approved.

Other Impacts**Policy:** n/a**Legislative/Legal:** n/a**Interdepartmental:** All**Master Plan/Framework:** n/a**Communication Plan**

Periodic updates are provided to Council for public and staff information.