



## THE CORPORATION OF THE TOWN OF AMHERSTBURG

### OFFICE OF PARKS, FACILITIES, RECREATION & CULTURE

**MISSION STATEMENT:** *Committed to delivering cost-effective and efficient services for the residents of the Town of Amherstburg with a view to improve and enhance their quality of life.*

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Author's Phone: 519 736-0012 ext. 2128	Date to Council: February 22, 2021
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To: Mayor and Members of Town Council

Subject: Update 320 Richmond Project

#### 1. RECOMMENDATION:

It is recommended that:

1. Administration **BE DIRECTED** to complete the scope of work identified in the May 25, 2020 report to Council for Phase 2 of 320 Richmond;
2. A 2021 expenditure for completion of the works at 320 Richmond Project Phase 2, as outlined in the report from the Director of Parks, Facilities, Recreation & Culture dated February 11, 2021, **BE APPROVED** at a cost not to exceed \$329,800 including net HST; and,
3. The Treasurer **BE AUTHORIZED** to transfer an amount not to exceed \$329,800 from the Parks Reserve account, to fund the 320 Richmond Project as previously approved by Council in the May 25, 2020 report for Phase 2.

#### 2. BACKGROUND:

On July 29, 2019 Council approved \$1,617,000 (including non-refundable HST) for Phase 1 of the repurposing of 320 Richmond, to be funded by the Parkland Reserve. Phase 1 has been completed and the Essex County Nurse Practitioners Led Clinic (ECNPLD) and Amherstburg Community Services (ACS) have long-term leases and now occupy this space.

On May 25, 2020 Council authorized Administration to proceed with Phase 2 of the repurposing of 320 Richmond, approving a budget of \$638,000 (including non-refundable

HST) to be funded from the Parks Reserve account. The following was approved by Council Resolution# 20200525-145:

- Administration BE DIRECTED to finalize lease agreements with The House of Shalom, Fighting Island Boxing Club and Verdi Club, each for a portion of space at 320 Richmond St., Amherstburg and for a period of 10 years, as Phase 2 of the facility redevelopment;
- Administration BE AUTHORIZED to complete the necessary leasehold improvements for Phase 2 at a cost not to exceed \$626,900 plus HST;
- Administration BE AUTHORIZED to transfer an amount not to exceed \$638,000 from the Parkland Reserve account toward funding the cost of the leasehold improvements for Phase 2 at 320 Richmond; and,
- Upon relocation of the Fighting Island Boxing Club to 320 Richmond, Administration BE DIRECTED to dispose of 300 Victoria St., Amherstburg in accordance with the Surplus Town Property policy and that net proceeds of the sale be transferred to the Parkland Reserve account.

Note that the reference to the “Parkland Reserve” account is actually in reference to the “Parks Reserve” account, not to be confused with the obligatory “Parkland Dedication Reserve Fund”, which cannot be used for this project.

### **3. DISCUSSION:**

The 2020 Q3 report and 2021 Budget anticipated that Phase 2 works would be completed by December 31, 2020; as such, no amounts were carried forward in the 2021 budget year presented to Council for approval. Unfortunately, the works were not fully completed as forecasted and as a result Administration requires authority from Council to complete the works and fund the expenditure in 2021. This request is a result of workload pressures caused by COVID-19 and the non-availability of subcontractors and equipment.

Phase 2 of the project continues to be funded from the Parks Reserve account, as originally anticipated in 2020 under Council Resolution# 20200525-145.

### **4. RISK ANALYSIS:**

If Council chooses to not approve the unbudgeted expenditure for the completion of Phase 2 of the 320 Richmond improvements the Town risks further delays to the project, the possibility of losing the leaseholders and could be financially liable for not providing the space.

### **5. FINANCIAL MATTERS:**

The following is a cost breakdown to date on the project:

Total Funding approved in Council Resolutions to 12-31-2020	\$ 2,255,000
Total Costs and funding applied to December 31, 2020	\$ 1,925,200
Requested Approval for 2021	\$ 329,800

The following chart shows the required -expenditure and proposed funding source for 2021.

Facilities Budget Centre - Capital	2021 Budget	2021 Estimated incl. net HST	Variance (over) / under
Cost:			
320 Richmond – Capital	\$ -	\$ 329,800	
<b>Total Cost</b>	<b>\$ -</b>	<b>\$ 329,800</b>	<b>(\$ 329,800)</b>
Funding:			
Transfer from Parks Reserve		\$ 329,800	(\$ 329,800)
<b>Total Funding</b>	<b>\$ -</b>	<b>\$ 329,800</b>	<b>(\$ 329,800)</b>

6. **CONSULTATIONS:**

Director of Corporate Services  
Treasurer

7. **CONCLUSION:**

It is recommended that \$329,800, a 2021 unbudgeted expenditure be approved to complete Phase 2 of the 320 Richmond redevelopment project.




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Phil Roberts  
**Director of Parks, Facilities, Recreation and Culture**

