



**Grand Trunk Railway
(GTR) Shops**

IT'S A CHESS GAME



How to make it happen

R. RITZ ARCHITECT INC.

IT'S A CHESS GAME: HOW TO MAKE IT HAPPEN

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SPS HQ at Scotiabank Data Centre or the Existing YMCA

1. Council is considering the purchase of the Scotiabank Data Centre on Wright Blvd.(SBDC) for the new Stratford Police Service Headquarters (SPS HQ).
 - a. The reason behind this is that the location is more central for serving St. Mary's and South Perth; however, there is no guarantee we will always have those contracts.
2. If SPS receives a contract for policing Perth East, then the SBDC location is not as central.
 - a. Although there are police patrolling all areas they serve, a central location is beneficial for the shifet change and for the SWAT vehicle and equipment to be located.
 - b. We also have to remember that, with all theatres full, we have 3,700 visitors near downtown, which roughly matches South Perth's population of 3,776; St. Marys is 7,386. Perth East's is higher than that total at 12,595.
 - c. Finally, and most importantly, by purchasing this building at \$14 million, they would be removing a commercial building from the market, which currently generates \$162,706 in property tax revenue.
 - i. \$162,000 over 12 months is \$13,500 per month, which could amortize \$2.4 million.
 - ii. Add this to the \$14 million purchase price, a total of \$16.4 million to purchase and repurpose the YMCA.



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- d. Also, if the vacant 4 acres at Wright Blvd. is severed and developed into a high-density 120-unit multi-unit residential (MUR) condominium, it would generate \$3,000 per unit or \$360,000 in property tax revenue.
 - i. \$360,000 divided by 12 months equals \$30,000 per month, which could amortize \$5.35 million plus the \$16.4 million for \$21.75 million to repurpose the Y into SPS HQ.
 - e. Two other private interests are also looking at the Scotiabank building. Depending on the private interest uses and the extent of development of the warehouse portion of the building, property taxes will increase.
3. The City's Development Consultant recommended adding a pool and a change room addition to upgrade the existing YMCA with a new 40,000 SF Library.
- a. The cost for site remediation is an optimistic \$1.2 million, similar to being located at the GTR.
 - b. The cost for the addition is similar to the Wilmot Pool at \$21M, similar to being located at the GTR.
 - c. The cost to refurbish and upgrade the existing building is similar to the cost of tenant improvements at the GTR.



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4. In comparison, I advocate that **the city should purchase the YMCA for the SPS HQ** at an appraised value of \$3-5 million, which would partially fund the cost of moving the YMCA to the GTR Building as outlined in the 2018 Master Plan.
 - a. This leaves \$13 million to allocate toward renovating the existing 44,000 SF YMCA, adding a 6,800 SF floor level in the gym and a 4,200 SF garage for a 55,000 SF (\$235 PSF) SPS HQ.
 - b. A new building would cost closer to \$400 PSF.
 - c. The structural portion of the existing building has a conservative value of \$100 PSF.
 - d. The estimated cost to remove services and fixtures from the existing YMCA is approximately \$10 to \$30 PSF, with an average of \$20 PSF.
 - e. This results in a total remaining cost of $\$400 - \$235 - \$100 + \$20 = \$85$ PSF or \$4.8 million that must be invested into the building to renovate it into SPS HQ.
 - f. This amount would be covered if the MUR is developed on the SBDC site and would likely be equal to the cost of renovating the SBDC if they opted to purchase it and convert it into the SPS HQ.

**This action allows the YMCA to proceed with development at the GTR site.
Purchasing and renovating the Scotiabank Data Centre does not.**



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CONCLUSION:

Private businesses should purchase the Scotiabank Data Centre to ensure it continues to generate property taxes.

This can be a Win-Win for both SPS and the YMCA.

Instead of buying the SBDC, Council should allocate the property tax revenue generated by it, along with the funds required to purchase it, to repurpose the existing YMCA into SPS HQ.

The YMCA will use the funds received from the purchase and invest in a new YMCA at the GTR Site.

