



MUNICIPAL COUNCIL REPORT
Maury O'Neill, CAO-Treasurer

Re: New Wawa O.P.P. Detachment	Report No.: CAO 2021-01
Corporate Meeting: April 1, 2021	Report Date: April 6, 2021

RECOMMENDATION

That Municipal Council receives CAO's Report CAO-2021-01 regarding the options available for the Municipality to become a partner in the construction of a new OPP detachment in Wawa. These options include Land Contribution, Lease Base Building Only and Turnkey Building.

And further that Municipal Council approve the CAO recommendation to donate the land to the Province for a new O.P.P. Detachment to be constructed through Crown Construction as outlined on the map attached, being property along Mission Road/Highway 101 located next to the Tourist Information Centre.

And further that Council indicate that the property will be made available as a "first right of refusal" agreement.

BACKGROUND

The Municipality of Wawa indicated its interest in a partnership with Infrastructure Ontario and the OPP to build a new detachment for the O.P.P. in Wawa.

The CAO met with Infrastructure Ontario on January 8, 2021, to review the three (3) options available for possible participation which included Land Contribution, Lease Base Building Only and Turnkey Building.

1. Land Contribution is when the Municipality provides land to the Province for a building to be constructed through Crown Construction.
2. Lease Base Building Only is when the Municipality designates land and constructs the base building of the detachment. The Province would be responsible for the cost of leasehold improvements. The OPP would lease back the building for an agreed upon term and rental rate.
3. Turnkey Building is when the Municipality constructs a full detachment including base building and leasehold improvements. The OPP would lease back the building for an agreed upon term and rental rate.

OPTION ONE: LAND ONLY

For option one, the Municipality would provide land to the Province for a building to be constructed through Crown Construction. The Province would be responsible for the design, development and on-going cost of the detachment.

If land proposed by the Municipality was determined to be feasible and the timing of the aligned with the OPP renewal strategy, Infrastructure Ontario will engage the municipality on next steps.

OPTION TWO: LEASE BASE BUILDING ONLY

For option two, the Municipality would propose land and construct the base building. The Province would then be responsible for the cost of the move and relocation, project management service provider fee, furniture, fixtures and equipment and leasehold improvements. The OPP would lease back the building for an agreed upon term and rental rate. The estimated cost of construction for the base building of an OPP detachment is \$300.00 per square foot based on the construction of a 15,000 square foot detachment (\$4,500,000 million).

OPTION THREE: TURNKEY BUILDING

For option three, the Municipality would propose land and construct a fully completed building including base building and leasehold improvements. The OPP would lease back the building for an agreed upon term and rental rate. The estimated cost of construction for the base building of an OPP detachment is \$672.00 per square foot based on the construction of a 15,000 square foot detachment (\$10,080,000 million).

Attached are summary documents provided by Infrastructure Ontario outlining the three options. Depending on the option selected, selection of the Wawa O.P.P. as a priority by Infrastructure Ontario (IO) and the Province's annual budget allocated to the building of new detachments, the construction of a new O.P.P. Detachment could take from two to eight years to complete.

OPTION ONE – LAND ONLY

Municipal staff reviewed land owned by the Municipality that may be suitable for a new O.P.P. Detachment. There are limited properties owned by the Municipality suitable for a 15,000 square foot facility with space for outdoor parking and storage space.

The only suitable option for a new O.P.P. Detachment would be to sever a portion of the unused land located between the Tourist Information Centre and the Ministry of Natural Resources (MNR) Building located along Highway 1010/Mission Road, as shown on the attached map.

This property at this location is owned by the Municipality and could be severed into two properties, just after the septic bed area servicing the TIC. The property is Zoned Commercial 2 (C2) and is designated for use as an O.P.P. Detachment (public use). The property severed would be about 150 meters frontage and would require a survey and legal registration in the land registry office. The value of the land would have to be assessed and a determination made that the land could be provided to the province at no cost.

Due to the suitability of the site, low interest expressed by others to purchase this land and excellent location at the junction of Highway 17 and Highway 101, staff recommends that Council survey the property and set the land aside subject to conditions, for a new O.P.P. Detachment in Wawa.

OPTION TWO & THREE - FINANCE

The Municipality could finance the construction of an O.P.P. Detachment and lease back the building for an annual guaranteed fee to recover the building and loan interest costs. The Municipality would have to consider taking a loan from the IO for \$10 to \$20 million to fund the build and the borrowing would impact the annual borrowing limits of the Municipality potentially impacting other infrastructure projects to be funded through debentures and loans (e.g. arena and municipal building).

There would be advantages and disadvantages to the Municipality constructing and financing the Wawa O.P.P. Detachment from liability and infrastructure replacement costs to the cost recovery of expenses with a profit over the long-term.

A business case and further analysis would have to be undertaken by staff and approved by the IO prior to one of these options moving forward. Projected annual lease costs and construction costs would have to be determined by Municipality.

OTHER CONSIDERATION

In August 2018, the Province announced \$182M in funding for nine (9) new O.P.P. detachments including the Marathon and Little Current detachments. Municipal staff does believe that the Province is responsible for the building of new regional detachments and therefore recommends that these options not be pursued at this time given that the Province may fund the building of new detachments in the next round of funds to be set-aside for O.P.P. Detachments.

STAFF RECOMMENDATION

THAT Council accept the staff recommendation to offer the municipally owned property beside the TIC on Highway 101/Mission Road, as outlined on the attached map, for the building of a new Province Superior East Regional Detachment of the O.P.P.

AND THAT this offer be provided as a "first right of refusal" offer in a legal agreement with the Province.

Submitted By:



Maury O'Neill, CAO-Treasurer

