



Staff Report

Operations

Report To: COW - Operations, Planning and Building Services
Meeting Date: April 29, 2025
Report Number: OPS.25.022
Title: Purchase of 122 Hoffman Street
Prepared by: Alan Pacheco, Director of Operations

A. Recommendations

THAT Council receive Staff Report OPS.25.022, entitled "Purchase of 122 Hoffman Street";

AND THAT Council approve the purchase of 122 Hoffman Street in the amount of \$4,500,000;

AND THAT Council approve the land acquisition and transfer of ownership into the Town's land inventory including all legal costs, taxes, and land transfer costs;

AND THAT Council authorize the Mayor and Clerk to execute all required documents and land transfers to finalize the land acquisition.

B. Overview

Preliminary cost estimates for the redevelopment of the Ravenna Works Yard have significantly exceeded the previously approved budget. Staff have explored an alternative option to remain within approved budget while accommodating operational need. Staff are recommending the acquisition of the property at 122 Hoffman Street.

C. Background

Preliminary estimates for a new Ravenna Public Works Yard range from \$15 million to \$30 million. Based on this assessment, staff have identified an opportunity to acquire 122 Hoffman Street to support the growth needs of the Roads Division at a cost that is significantly less than the preliminary estimates for redeveloping the yard at the existing site.

In 2022, a budget of \$8.5 Million was approved and assigned to the redeveloping the Ravenna Works Yard for design and construction. Three design options have been provided to staff, with preliminary cost estimates ranging from \$15 million to \$30 million, a cost breakdown has been provided below.

SUMMARY BREAKDOWN	Option 1 New Building (3,525 m2) 14 Truck Bays		Option 2 Reuse of Existing + New Building 8 Truck Bays		Option 3 New Building (2,900 m2) 8 Truck Bays w. option to expand	
	Cost	Percentage of Total Construction Cost	Cost	Percentage of Total Construction Cost	Cost	Percentage of Total Construction Cost
Public Works Facility	\$14,651,732		\$6,895,000		\$10,618,000	
Sub-Total - Net Building Works	\$14,651,732	50%	\$6,895,000	46%	\$10,618,000	45%
Contractors General Requirements & Fee	\$2,110,000		\$993,000		\$1,529,000	
Sub-Total - Gross Building Works	\$16,761,732	57%	\$7,888,000	53%	\$12,147,000	52%
Sub-Total - Allowances	\$6,037,000	20%	\$2,841,000	19%	\$4,375,000	19%
Total Building Construction Cost (excl HST)*	\$22,798,732	77%	\$10,729,000	72%	\$16,522,000	70%
Site & Ancillary Work	\$4,429,580		\$2,673,000		\$4,521,000	
Sub-Total - Net Site Works	\$4,429,580	15%	\$2,673,000	18%	\$4,521,000	19%
Contractors General Requirements & Fee	\$638,000		\$385,000		\$651,000	
Sub-Total - Gross Site Works	\$5,067,580	17%	\$3,058,000	21%	\$5,172,000	22%
Sub-Total - Allowances	\$1,512,000	5%	\$913,000	6%	\$1,544,000	7%
Total Site Construction Cost (excl HST)*	\$6,579,580	22%	\$3,971,000	27%	\$6,716,000	29%
Demolition of Existing	\$134,000		\$93,000		\$134,000	
Sub-Total - Net Demo Works	\$134,000	0.5%	\$93,000	0.6%	\$134,000	0.6%
Contractors General Requirements & Fee	\$19,000		\$13,000		\$19,000	
Sub-Total - Gross Demo Works	\$153,000	0.5%	\$106,000	0.7%	\$153,000	0.7%
Sub-Total - Allowances	\$46,000	0.2%	\$32,000	0.2%	\$46,000	0.2%
Total Demo Construction Cost (excl HST)*	\$199,000	1%	\$138,000	1%	\$199,000	1%
Total Construction Cost (excl HST)*	\$29,577,312	100%	\$14,838,000	100%	\$23,437,000	100%

A staff report was presented to council at COW on March 17, 2025, providing a project update including the preliminary cost projections.

D. Analysis

Given the significant projected costs and the current financial state of the Town's reserves, staff recommend reducing the scope of the Ravenna Yard project and proceeding with the purchase of the property at 122 Hoffman Street. This approach will allow the Town to remain within the approved budget while meeting operational needs.

The subject property consists of an approximately 5.17-acre parcel of land equipped with an industrial building containing approximately 8,800 square feet of area along with significant outdoor storage space. This site has the capacity to accommodate the department's operational need. An aerial photo of this property can be found in attachment 1.

Once this property is acquired, the Road Operations team will relocate its day-to-day operations to this new facility. The existing Ravenna site will remain operational as a heavy equipment depot, primarily for housing graders and other large machinery.

Capital improvements will be necessary to upgrade the existing office space at 122 Hoffman Street. In addition, enhancements to the current facilities at the Ravenna Depot will be required, along with the removal of the leased office trailer, which is expected to result in operational cost savings. With these adjustments, the required capital improvements at both 122 Hoffman Street and the Ravenna Depot can be completed within the originally approved \$8.5 million budget.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

The proposed acquisition of 122 Hoffman Street presents a lower environmental impact compared to the redevelopment of the Ravenna site, as the property is not adjacent to any watercourses and requires limited site alteration.

G. Financial Impacts

The \$4.5 million purchase of the 122 Hoffman Street property along with the capital improvements required for both locations will be funded through approved budget of \$8.5 million with the funding sources assigned from Development Charges and Long-term Debt.

H. In Consultation With

Ryan Gibbons, Director of Community Services

Monica Quinlin, Director of Corporate and Financial Services

Adam Smith, Acting CAO.

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required.

However, any comments regarding this report should be submitted to Alan Pacheco, Director of Operations directorops@thebluemountains.ca.

J. Attached

1. Attachment 1 Aerial Photo of the Subject Property

Respectfully submitted,

Alan Pacheco
Director of Operations

For more information, please contact:
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Report Approval Details

Document Title:	OPS.25.022 Purchase of 122 Hoffman Street.docx
Attachments:	- Attachment 1 Aerial Photo of the Subject Property.pdf
Final Approval Date:	Apr 22, 2025

This report and all of its attachments were approved and signed as outlined below:

Alan Pacheco - Apr 22, 2025 - 11:08 AM

Adam Smith - Apr 22, 2025 - 11:45 AM