

Seeking the Real Cost of Moving the Niagara Regional Police Headquarters and Closing Detachments

A St. Catharines – Thorold Chamber of Commerce Presentation

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Good Evening,

Chief Wendy Southall, Chair Larry Iggulden and members of the Niagara Regional Police Board, my name is Stephen Cook and I reside at 81 South Dr. in St. Catharines. Tonight, I am speaking on behalf of the St. Catharines – Thorold Chamber of Commerce.

The St. Catharines – Thorold Chamber of Commerce is the largest business organization in Niagara with over 1,000 companies representing more than 26,000 employees in the municipalities of Thorold and St. Catharines. As the voice of business, the chamber of commerce has been representing the business community for the past 140 years.

Chief Southall, Chair Iggulden and board members, before I get into the details of the chamber's position on the consultant's report on the relocation of the Niagara Regional Police Headquarters and the closing of police detachments in urban centres, the Chamber would like to acknowledge the Board's efforts to seek efficiencies in its operations as a means to address escalating costs of policing in Niagara as it continues to put a strain on the region's ability to keep tax rates in line with the rate of inflation. As a business organization, we understand the balance between services and efficiencies – it's the foundation of business success – and as a Chamber, we have been vocal advocates for governments to seek efficiencies as a means to reduce that burden on taxpayers. With the regional budget climbing past \$700 million, and the annual police budget now representing more than \$100 million dollars of the annual regional budget, the burden on the taxpayer is becoming ever greater – and the abilities to finance property taxes is becoming more of a challenge for the businesses and citizens of Niagara.

It's from this perspective that the Chamber has approached the consultant's report.

Before getting into our concerns with the report, we would like to state to the Board that there is a very real public perception of a lack of safety and security in the downtowns of Niagara's urban cities. While acknowledging the hard work and dedication of the police in our communities, the public's perception, and in some cases – **the perception mirrors the reality** – our downtowns are viewed as unsafe. This image has impacted on the ability of our downtowns to become vibrant, and safe centres of prosperity where businesses can thrive, residents can feel secure and visitors can explore with a sense of comfort. It is the Chamber's opinion that the public's negative perception of downtown St. Catharines will be further entrenched by the removal of the NRP head offices and detachment from the downtown core. Although not addressed in the report, the negative economic impact that the removal of the detachment and head office from the region's largest urban centre must be considered by the Niagara Regional Police Services Board. The province, region and city of St. Catharines is working hard to revitalize the largest urban core in the region and it is important for the Board to - **at the very least** - consider the ramifications of removing its facilities from an area identified by three levels of government as an area of intense growth over the next 20 years. A revitalized downtown with a strong police presence – which includes administrative and police services – will generate more positive economic activity and residential intensification creating an environment for investment and an expanded tax base helping to offset the increasing costs of municipal and regional services. But, this is not the focus for tonight's presentation – however as the taxpayers fund the NRP, the Board must consider the value of having the police headquarters in Niagara's largest downtown.

Since the release of the MHPM Project Managers report commissioned by the Niagara Regional Police Services Board regarding cost benefit analysis accommodation strategies for the Niagara Regional Police, the St. Catharines – Thorold Chamber of Commerce has conducted a thorough review of the documents. Based on the information provided by the Board including - the abovementioned report, and the BTY Group's cost analysis of the options in the report, the St. Catharines – Thorold Chamber of Commerce has a number of concerns about the methodology of the report, and the absence of key land planning documents that should be considered by the Board as it deliberates its decision.

First, we would like to address the absence of key land planning documents in the report. According to the authors of the report, MHPM justifies its recommendations by referring to the Berkeley Consulting Group's 2000 Report examining the region's Governance Principles, which highlights five principles of governance. According to the consultants, "the principles and the organizational philosophy were kept in mind through the review to support the congruence of thoughts as presenting the advantages and disadvantages of each service delivery models."

And, yet the Berkeley Consulting Report is a seven year old document that was written four years before the provincial government would enact one of the largest land planning acts in the history of the province – **the Greenbelt Legislation** – and the subsequent release of the **Place to Grow Act** – an urban planning act that guides regions and municipalities within the areas covered by the Greenbelt – which includes Niagara. The result of the two provincial acts has led to the region's **Smart Growth Land Use Principles**.

Under the province's Places to Grow Act, legislation focuses on the role urban planning will play in building healthy and economically diverse communities within the Greenbelt. A central tenant of the act is – and I quote from the document:

*"The revitalization of urban growth centres is particularly important, not only because they can accommodate additional jobs, but because they will increasingly be regional focal points. They are meeting places, locations for cultural facilities, public institutions, **major services**, and transit hubs."*¹

Provincial legislation restricts **outward** urban expansion with the greenbelt, and the Places to Grow Act has created an opportunity to reinvigorate the **urban core** of places like St. Catharines and Niagara Falls. In fact, the Places to Grow stipulates that downtown St. Catharines must have a minimum gross density of 150 residents and jobs combined per hectare by 2031 or earlier. The act identifies St. Catharines as an "urban growth area," and an "**administration and professional services centre.**" With the identification of downtown St. Catharines as a significant centre for urban growth, it is imperative that administrative services such as the NRP headquarters be anchored in the downtown to be in line with the Places To Grow Act.

¹ Ontario Growth Secretariat "Places to Growth" June 2006. Pg 8

From the perspective of regional land planning policies, Niagara is a leader in the field of ‘smart growth’ development that is enhancing quality of life and economic sustainability. The Region has designed a set of Smart Growth Land Use Principles to guide municipal and region-wide land use develop that include principles such as:

- i. Encourage use of vacant sites within the urban area before developing Greenfield sites*
- ii. Promote the integration of uses and preserve the central urban areas by promoting a mix of housing, shops, work places, schools, parks and civic facilities essential to the daily life of the residents*
- iii. Direct development into existing communities*

Following this set of planning principles, which was supported by regional council, the Board must include existing land planning principles within its scope of considerations. To do otherwise would contravene the core principles established by the provincial government and modified and adopted by the region.

Setting aside the absence of landing planning policy considerations, the Chamber has raised a number of flags related to the financial methodology applied to the detailed financial assumptions with each option. It is not our stated purpose to conduct a line by line review of the cost benefit analysis completed by the BTY Group on the options designed by MHPM, but a general review of the data supplied to the public raises a number of questions that we think the Board needs to address before making its final recommendation.

- 1. Based on a side by side comparison of all the options, Option B and C – which are both new greenfield developments – are shown to provide \$34 million dollars in efficiency savings – which upfront would be a significant cost savings – but when taken over a 20 year period – as is the actual case – the annual \$1.7 million dollars is savings – which works out to 1.7 per cent based on the NRP’s annual budget of \$100 million dollars – is not a significant enough cost savings to warrant a \$100 million dollar new facility in which the region – and therefore – the taxpayer – would have to carry the burden. The very fact that the assumption of savings is \$1.7 million per**

year – extrapolated over 20 years without factoring in inflation – renders this assumption suspect at best.

2. **In Option A1 – which utilizes existing facilities in St. Catharines, Niagara Falls, Port Colborne and Welland factoring in the cost of renovations, BTY estimates \$11.6 million in Lease, Temporary Fit Up Cost and Moving Cost – this would indicate that the only option for the renovations is a complete move out from a facility under renovation, and a return once the renovation is complete – from the perspective of a business model – this does not make sense – this number needs examination. And, BTY affixes \$0 costing to Option B in the same category indicating that either there will be no moving costs from all locations to the centralized Option B. Again – there’s a lack of information in this category.**
3. **The concept of Soft Costs cover a wide range of costs – consider it a catch basin for costs that can’t be categorized elsewhere – and in this area each option comes in at \$17.5 million dollars. Yet, in Option B and C – it is a complete new building – which one would think would incur more costing in the area of soft costs related to equipment, furniture, and a host of fees associated with the construction of a new building, yet the soft cost is equal across the board between renovating existing and new building. This needs further clarification.**

These are just a few of the areas that we feel need more clarification and justification. We are confident that the Board has the abilities to properly review the assumptions offered by BTY. As it is prudent in business, all costing associated with each proposed concept needs to be properly vetted – in this case, there are simply too many questions – questions that we hope the Board will address as it works towards its decision.

In addition to the specific questions, the Chamber encourages the Board to seek information on the following:

- 1. In the greenfield developments, what are the associated municipal and regional infrastructure costs such as sewers, hydro and other public service costs that will be required to build a \$100 million dollar facility?**
- 2. Are there opportunities within the downtowns related to available city property that can provide efficiencies in services without the need to centralize all services in one massive building?**
- 3. Will the Board factor into its decision the environmental and productivity impacts when moving its facilities away from Niagara's largest courthouse and ancillary services?**

Chief Southall, Chair Iggulden and Board members, the Chamber of Commerce understands the difficulty of balancing the needs of upgrading policing facilities with the pressure to keep spiralling service costs under control. Building a new \$100 million dollar centralized headquarters and closing detachments in urban centres for an estimated cost savings of 1.7 per cent a year doesn't make fiscal sense. Nor does it make sense from a land planning perspective. We need to remember that proper land planning will lead to greater economic development and greater tax revenue for the region in which to pay for services such as the police.

The St. Catharines – Thorold Chamber of Commerce urges that the Niagara Regional Police Services Board explore and expand its options with all of its partners - including the City of St. Catharines - in its efforts to seek efficiencies in its facilities and services.

On behalf of the chamber, thank you for your time.