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Police HQ price hits \$193.6M

Bought to avoid cost of fixing old headquarters

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RUTH BONNEVILLE / WINNIPEG FREE PRESS [Enlarge Image](#)

The overhaul of the former Canada Post building continued Wednesday, with the building's interior exposed along St. Mary Avenue.

The Winnipeg Police Service and the Winnipeg Football Club have a lot in common this summer -- both organizations are spending more than \$190 million to build brand-new homes that won't be ready until

2013.

Thanks to \$7 million of interest payments expected over the next six years, the total cost of the new police headquarters is now pegged at \$193.6 million, according to city budget documents.

That tab includes the cost of acquiring the Canada Post building on Graham Avenue, renovating the 10-storey structure and consolidating various police units within the building.

The total project cost was pegged at \$157.1 million in early 2011. The price rose \$28 million last summer, when the city disclosed its original estimates did not take into account the cost of building-envelope and foundation work.

Budget documents now reveal the city plans to spend \$7 million over the next six years on interest payments for the project, which required the city to borrow \$139.9 million.

This means the police headquarters project is slightly more expensive than the new football stadium -- with the notable difference the new cop shop will be in use continually.

"If you're driving by there, you can see the progression. They're doing a lot of work," said city council protection committee chairwoman Paula Havixbeck (Charleswood), who has expressed concern about the project in the past.

"I've sort of come in mid-point on this project. I walked into it after I was elected," she said, referring to the imprecise estimates made early in the process.

The city touts the operational benefits of the new headquarters, which will place a number of units -- evidence control, identification, technological crimes and street crime among them -- under a single roof in a central downtown location.

The \$193.6-million cost no longer allows the city to claim any financial benefits from the renovation. The decision to acquire and renovate the Canada Post building was made after the city determined repairing the limestone cladding on the Public Safety Building on Princess Street, and moving police into temporary offices while the work was being done, would cost \$40 million or more.

The PSB's future is uncertain, as is the future of the adjacent Civic Centre parkade. Last week, the Winnipeg Parking Authority published a business plan that no longer calls for the agency to spend \$6.2 million to repair the aging parkade, noting a report about its future is forthcoming.

This has raised the prospect the city may sell both the Public Safety Building and the Civic Centre parkade -- or even raze both structures to make way for new development.

Phil Sheegl, Winnipeg's chief administrative officer, said it's far too soon to say what will happen to the Princess Street buildings, though Red River College expressed some interest in the past.

The city may also recoup some of the cost of the Canada Post building by selling the tower portion of the structure. Most of the police offices will be in the lower-rise warehouse part of the building.

City council has already approved the tower's proposed sale.

"We're keeping it on the inventory with the intention of selling it at some point," said Mike Ruta, Winnipeg's chief financial officer.

This, too, comes with a price: \$19 million from the land operating reserve has financed the tower portion of the Canada Post building acquisition.

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\$193.6-million police HQ

Where the money goes:

\$155 million to renovate the Canada Post building

\$30.6 million to purchase the Canada Post building

\$7 million in interest payments over the next six years

Where the cash came from:

\$139.9 million in borrowing

\$30.7 million in cash

\$19 million from the city's land operating reserve

\$4 million from the Manitoba-Winnipeg Infrastructure Fund

-- source: City of Winnipeg

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