

Memorandum

7830-1 (DMSCR 5-2)

24 May 01

DREP 16

CFB ESQUIMALT: WORK POINT BUILDING 1027

1. The purpose of this memorandum is to discuss the matter of Building 1027 (WP 1027) at Work Point, CFB Esquimalt.
2. By way of background, WP1027 (an Officers Mess and Accommodation facility) was vacated by 3PPCLI in the spring of 1994. In anticipation of that strategic organizational restructuring within Land Forces Command, CFB Esquimalt advanced the proposal that Maritime Command (MARCOM) retain the Base's Work Point property (consisting of an Operational and a Personnel Support "zone") for the foreseeable future. This proposal was carefully considered in the context of alleviating development pressures at other Base sites, and it was ultimately approved. A specific, short-term, capital cost savings measure associated with that proposal was for MARCOM to relocate the Naval Officer Training Centre (NOTC) from its inadequate and antiquated facilities at Dockyard, to several buildings at Work Point. One of the buildings occupied by NOTC in the fall of 1994 was WP 1027.
3. For the purposes of re-accommodating NOTC at Work Point in 1994, WP 1027 was not a good "fit" for the NOTC "Gunroom" (a Mess facility for Junior Officers Under Training). In addition to the fact that it could not be fully utilized due to Building and Fire Code restrictions, WP 1027 was grossly oversized and poorly located for NOTC's needs. Therefore, this discrete portion of NOTC's move to Work Point was recognized as a temporary expediency. In March 1998, after considering the recapitalization options, CMS and ADM(IE) put forward the proposal that the NOTC functions accommodated in WP1027 be included with other functional requirements in a single new building, to be constructed on the site of some six former PFCCLI buildings. With Senior Review Board (SRB) endorsement of this construction proposal, its subsequent approval by the MND and ultimately with the delivery of the new Nixon Building (WP 1367) in November 1999 under Project 00004544-Phase 1, WP 1027 became surplus to DND's requirement and it now sits unoccupied. The NOTC functions previously accommodated in WP 1027 have been accommodated in approximately 20% of the space that had previously been available in WP 1027.
4. Explicit strategic direction from the DM/CDS (i.e., the Departmental Planning Guidance) focuses on the need for all Level One Managers to reduce Realty Assets (both property and physical infrastructure) over the next several years. The rationalization and recapitalization of NOTC's facilities at Work Point continues to be one of several important initiatives for CMS/CFB Esquimalt in this regard. The process of rationalizing CFB Esquimalt's property holdings remains under development, but is now well advanced. In this vein, it has long been very clear that one of the sites that will ultimately become surplus to DND requirements will be the site that WP 1027 currently occupies. Unfortunately, the process of disposing of DND property at CFB Esquimalt is not straight-forward, and it will likely be several years before individual sites are actually "put up for sale" (if ever). Meanwhile, and despite the fact that portion of the Work Point site is no longer needed for operational purposes, DND must continue to make Payments in Lieu of Taxes (PILT). While DND is no longer paying PILT on WP 1027, the concerns that FHBRO might have over "demolition through benign neglect" have been met by minimum service and maintenance expenditures by the Base (about \$1,000/month). In short, a business case that would support the continued payment of PILT for a building and site that are no longer required does not exist.
5. The fact that WP 1027's current floor plan/general arrangement is not suitable for any other DND occupants is unequivocal. Not only would it be extremely costly to make the building habitable (i.e., bring it up to Code), WP 1027 simply cannot be cost effectively renovated for a different type of DND use. Seeking another Government occupant for WP 1027, even for a period of short duration, has not been successful as an alternative to the (Departmentally approved) strategic objective of disposing of this

particular building. It appears that other government user would face the same extreme renovation costs for a "change of use" (e.g., the cost of turning this former Quarters and Messing facility into an Office/Administrative complex would be cost prohibitive, given the Code implications). Although overtures have been made to the private sector, including local Heritage groups who might have an interest in the building, no proposals have been forthcoming these past two-plus years. On another level, what has to be appreciated is that WP 1027 cannot truly be considered in isolation from its surrounding property. WP 1027 is situated on sizeable parcel of waterfront land. The acreage itself is largely natural in terms of its landscaping. Although site access would not necessarily be problematic (through the adjacent DND property), the extant site conditions and its physical configuration suggest that this parcel will not be an easy one to develop for a dramatically different use(s) by another occupant. The best property disposal strategy actually appears to be one that involves more than the acreage that is specifically associated with the footprint of WP 1027 itself.

6. Clearly, the overarching strategic development objective that may be advanced by CMS in due course is the disposal of this considerable, park-like property. Accordingly, the use of WP 1027 by an organization that has not acquired the building and the site as a whole at "fair market value" has not been considered to be an appropriate path to follow. Appreciating that WP 1027 has "Recognized" heritage value, and in view of the lack of specific interest from the local Heritage community in finding a solution, a strategy that would realize the seemingly opposing objectives of preserving the building while unencumbering the site, has recently been pursued by CFB Esquimalt. There now appears to be private sector interest in removing WP 1027 from the site and preserving it at another location.

7. The preservation of WP 1027 has long been an underlying hope, and this is precisely why this surplus structure has not been de-constructed as swiftly as other Work Point buildings have been in the recent past. The present proposition is one that would seem to be advantageous to both DND, as well as to Heritage interests. If WP 1027 could be relocated off-site under the terms of an acceptable proposal from the private sector (one that ensures preservation), DND would thereby be relieved of having to retain and maintain a building that is surplus to requirement. The broader and strategically important property disposal picture would thus possess one less shroud of uncertainty and "best efforts" would have been made (and realized) to preserve the structure, albeit not on its original site.

8. In conclusion, since the departure of 3PPCLI in 1994, the effort to come to terms with WP1027 and the associated property has been a lengthy process that is not fully resolved. It now appears that a plausible, private-sector solution exists for WP 1027. It is recommended that FHBRO be asked to acknowledge DND's need to effect closure on WP 1027 so that the larger strategic Realty issues associated with Work Point can be pursued.

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