

**TO:** MAYOR & COUNCILLORS

**FROM:** GENERAL MANAGER LANDS AND FACILITIES AND GENERAL MANAGER PARKS, RECREATION AND CULTURE

**SUBJECT:** **MINTARA ATOP BURNABY MOUNTAIN PATIO EXPANSION**

**PURPOSE:** To provide Council with an update regarding the Mintara Atop Burnaby Mountain Patio expansion project and seek direction on whether to proceed with the project based on current cost estimates.

## **RECOMMENDATION**

**THAT** the Mintara Atop Burnaby Mountain Patio Expansion Project be canceled, as outlined in the report titled “Mintara Atop Burnaby Mountain Patio Expansion”, dated January 28, 2025.

## **1.0 POLICY SECTION**

The City’s Procurement Policy requires Council approval for change orders, which individually or when accumulated with prior change orders, increases the total value of the contract by \$1,000,000. The recommendation in this report also aligns with the Corporate Strategic Plan (2017) and Benefits Based Approach (2024).

## **2.0 BACKGROUND**

In 2022, staff explored several options to expand or enhance the existing Mintara atop Burnaby Mountain (Mintara) patio. These options included a basic upgrade to improve accessibility, an expansion with a glass enclosure and a full rebuild of the facility with a roof-top patio. The high-level cost estimates of these options at the time ranged from \$600,000 to \$8,000,000.

After thorough analysis, it was determined that an expanded enclosed patio provided the best value and return on investment for several reasons. Being situated on Burnaby Mountain presents challenges for exposed outdoor seating due to strong winds in the spring and fall and hotter temperatures in the summer when many visitors would use the outdoor patio. While the restaurant operates year-round as a service to park-goers, its daily operations are generally subsidized by hosting events such as weddings, so investments that expand the venue’s hosting ability are generally prioritized. Given this, an enclosed patio design was advanced, with moveable windows that would make the patio useable year-round for events, but also provide an enhanced outdoor restaurant experience during warmer weather months. In March 2024 Council approved the design of the patio expansion with a Class B construction estimate of \$2,628,300.

**3.0 GENERAL INFORMATION**

Scott Special Projects LTD was awarded the contract as Construction Manager for the project in September 2024. Since that time, the team completed the tendering process with the final bid value of \$4,224,282. Value engineering exercises were then completed resulting in a reduced price of \$3,399,813 excluding GST and contingencies.

	Date	Accumulative Total Change (excluding GST)
Original Contract Award	Sept 2024	\$414,631.43
Contract Extension	Pending	\$2,985,181.57
<b>TOTAL</b>		<b>\$3,399,813.00</b>

**3.1 Project Options and Recommendations**

**Option 1 – Proceed with the patio expansion as per the approved design**

If Council approves Option 1, the new Mintara patio would be developed as per the final design presented to the Council on March 11, 2024. This would add an additional 2,000 sq. ft. of dining space and 50 seats to the existing 120 seats available indoors. It would be operable in all seasons, making it ideal for dining and events, thus enhancing profitability. It would be enclosed with glass windows and roof, a radiant floor heating system, and designed to accommodate a forced air-cooling system if needed, ensuring its suitability for year-round use. The design also includes a complete bar, a barbecue section, and basement storage space. However, this project is not currently included in the draft 2025–2029 capital plan. If Council decides to proceed with this option, the project will need to be reprioritized within the draft 2025–2029 capital plan.

Staff anticipate that an expanded and enclosed patio would return approximately an additional \$1.3 - \$1.5 million in revenue annually, as weather concerns will no longer limit reservations in off seasons. This would result in a projected profit of \$500,000 - \$600,000, with an expected payback period of 6-7 years.

While the project would provide additional revenue opportunities, the Class A costs of this project are 30% higher than the Class B estimate after the value engineering exercise. The project payback period is now over several years and as it would require reprioritization of other projects including important asset management and park development needs, staff do not recommend this option.

**Option 2 - Cancel the project and retain designs for potential future redevelopment (Recommended)**

While this project was planned to be funded from the City’s Capital Asset Works Financing Reserve Fund (CAWFF), recent changes to provincial legislation have resulted in overall changes to the City’s reserve funds, particularly the Community Benefit Bonus Reserve (CBB). Mintara is an important facility that provides revenues to help offset other subsidized programs and enhances users’ experience of

Burnaby Mountain, however in light of the changes to funding and also the cost escalation for this project, staff recommend cancelling this project in favour of other higher priority capital projects within the PRC portfolio. This approach ensures optimal use of resources to maximize public benefit.

**Option 3 - Revisit patio options that were explored in 2022**

Staff could revisit the lower cost patio enhancement options explored in 2022, including accessibility upgrades and other potential enhancements. Re-assessing these alternatives would still require re-allocating a portion of funding currently allocated for this project in the upcoming 2025–2029 Financial Plan for further analysis and redesign.

However, previous findings suggest simpler upgrades would offer limited benefits and fail to address key operational and weather challenges effectively. While this option allows for reconsideration of lower-cost alternatives, it is unlikely to align with the City’s objectives or deliver the desired economic and functional benefits, therefore staff do not recommend this.

**4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT**

RFP #118-06-24 Construction Manager and Construction – Mintara Patio Expansion Project was publicly advertised. Upon closing, the City received a total of five submissions.

**5.0 FINANCIAL CONSIDERATIONS**

This project was originally included in the 2024-2028 Financial Plan and due to the cost escalations noted above this project is no longer prioritized. If Council wishes to move forward with option 1 or 3, staff will need to assess and prioritize accordingly while compiling the Draft 2025 -2029 Capital Plan.

The costs incurred to date for this project amount to \$459,465. If the project is cancelled, additional payments for close out costs of approximately \$20,000 to Scott Construction will be required. The project’s design and drawings will be archived for future use; however, any future construction will likely be impacted by cost escalations due to inflation.

Respectfully submitted,

James Lota, General Manager Lands and Facilities and Mary Morrison-Clark, General Manager Parks, Recreation and Culture

**ATTACHMENTS**

Nil

**REPORT CONTRIBUTORS**

This report was prepared by Mehrdad Bozorgnia, Project Manager PRC PMO, and reviewed by Sam Aljubori, Senior Manager, Civic Projects, Charles Allen, Director Civic Projects, and Bob Farahani, Director PRC PMO & Enterprise Services.