



REPORT #2

**TENDER AWARD FOR RENOVATION OF 19 CIVIC AVENUE AND PROJECT
STATUS REPORT FOR DECEMBER, 2007 (C10-LS & A19)**

Report Prepared By: Director of Leisure Services and Deputy-Director &
Manager of Planning

RECOMMENDATION:

The Project Implementation Committee concurs with the recommendation.

The Chief Administrative Officer recommends:

- 1) **THAT the December 2007 Status Report regarding the restoration/ renovation project for 19 Civic Avenue be received for information;**
- 2) **AND THAT the Council endorse the plans for the renovation/ rehabilitation of 19 Civic Avenue and that Building Permit Application No. 2007-986 be approved in accordance with Section 33(1) of the *Ontario Heritage Act*;**
- 3) **AND THAT Council approve a revised Total Project Cost to complete the restoration / renovation of 19 Civic Avenue to an amount equivalent to \$3,397,997;**
- 4) **AND THAT Council confirms the funding model to support the Total Project Cost to a 50 / 50 allowance which reflects a 50% contribution by the Town with the balance of the funding being comprised of community fundraising initiatives and government grants;**
- 5) **AND THAT Staff be directed to draw upon the Voluntary Assistance Agreement for an Arts & Culture project (19 Civic Avenue) and to provide Notice in accordance with the terms of the Agreement;**
- 6) **THAT the Treasurer be authorized to allocate alternative funding resources, if the assigned funding and/or government grants are not available;**
- 7) **AND THAT 2008 Capital Budget reflect the Total Project Cost and the sources of funding as set out in this report.**



- 8) **AND THAT Staff be authorized to initiate a Request for Expressions of Interest with respect to Naming Rights for 19 Civic Avenue in accordance with Town Policy;**
- 9) **AND THAT the Mayor and Clerk be authorized to execute an Agreement to award the project for the renovation and rehabilitation of 19 Civic Avenue for an Arts, Culture and Entertainment Centre with J.J. McGuire General Contractors in the amount of \$2,681,342, plus G.S.T,**

1. PURPOSE

The purpose of this Report is to:

1. Provide Council with a project status update on the renovation / restoration project of the Municipal building located at 19 Civic Avenue;
2. Obtain Council endorsement on revisions to the Total Project Cost, and sources of Funding to complete the renovation / restoration project; and,
3. Seek Council approval to award the tender for the renovation / restoration of 19 Civic Avenue.

The Project Implementation Committee would like to provide a brief presentation on the key highlights of the Report for the benefit of Council and members of the Public.

2. BACKGROUND

In April, 2005 Council directed Staff to examine alternate uses for 19 Civic Avenue for the purposes of revitalizing the Downtown Core of Stouffville. In response to Council's directions, Staff returned to Council in April 16th, 2006 with four broad themes as possible activities for 19 Civic Avenue. Arising from the April 16th Meeting, Council adopted the "Arts, Culture and Tourism" theme and directed Staff to prepare a preliminary business case plan in support of the venture.

In June, 2006, Council adopted a preferred end use for 19 Civic Avenue which would see the building used as flexible programming space for the arts, cultural and entertainment sectors. The refurbishment of 19 Civic Avenue was also to serve as a catalyst in the revitalization of the Downtown Core.

The project was entitled *Nineteen on the Park!* to symbolize its inter-relationship between Memorial Park, 19 Civic Avenue and Civic Square as an important community-oriented precinct within Downtown Stouffville.



In August 2006, Council adopted the Terms of Reference for a Project Implementation Committee (PIC) to guide the timely advancement and construction / renovation of the 19 Civic Avenue project.

In October 2006, Council approved the appointment of Design Connection International Inc. for the provision of project management services which included the retention of Novita Interpares Ltd. for services relating to business planning, governance and operating model, and, a strategy for capital revenue Planning.

Council also adopted a revised project timeline for the renovation /Rehabilitation of 19 Civic Avenue. In December 2006 and February 2007 Council received Status Reports on the progress of the project. On June 26th, 2007, Council received the third status report and arising from the consideration of the Report, Council resolved:

- “1. THAT the June 2007 Status Report regarding the restoration/ rehabilitation project for 19 Civic Avenue be received as information;
2. AND THAT Council approved the Preferred Concept Plan (inclusive of lengthening the building by an additional five feet and the construction of a basement in the addition to the south of the building) for the renovation / rehabilitation of 19 Civic Avenue as presented in Attachment No. 1 of this Report;
3. AND THAT Council approve the revised project cost estimate as outlined in this Report. The increased costs reflect adjustments for additional storage and program support space;
4. AND THAT Staff be directed to initiate the Project Tender Phase for the renovation / rehabilitation of 19 Civic Avenue including Pre-Qualification of General Contractors, preparation of detailed drawings and specifications, and, the issuing of an invitational tender for the project.”

3. ANALYSIS AND OPTIONS

3.1 Ontario Heritage Act Designation – 19 Civic Avenue

The exterior of 19 Civic Avenue has been designated under the *Ontario Heritage Act* for its architectural heritage value and its significance as an important community building.

In accordance with Section 8(2) of the *Ontario Building Code Act*, a building permit cannot be issued until all applicable law has been complied with. The Ontario Heritage Act is listed in the Building Code as applicable law. Section 33(1) of the



Heritage Act requires that Council approval must first be obtained before the Owner of a building that is designated under the Act does any alteration to the building.

On July 26th, 2007, Charles Hazell, the Town's architect, appeared at the Whitchurch-Stouffville Heritage Advisory Committee Meeting to discuss the proposed renovation / rehabilitation / additions to 19 Civic Avenue. Arising from the July 26th Meeting, the Committee advised that:

- The presentation by Charles Hazell was excellent. The Committee was very impressed by the extent that the development team had gone to preserve and showcase the historical significance of the building;
- Light and sound pollution emanating from 19 Civic Avenue and the Square are a potential concern in relationship to the adjacent historical homes on Church Street. Care should be taken in the design to minimize the potential impact. Replacement windows should have the appropriate glazing to minimize the transfer of sound;
- The Town should assess the cost of ground source heat / cooling pumps vs. a roof mounted mechanical system. The cost differential is offset through lower sound emissions and will improve the appearance of the building

Staff have reviewed the comments from the Advisory Committee and would recommend that Council adopt the building plans as prepared by the Town Architect and not pursue any further changes at this time.

3.2 Project Tender Results

Tenders for the project were issued to six (6) companies who were pre-qualified and deemed suitable to complete a project of this nature and scope.

Tenders were received and opened on Wednesday, October 10, 2007, with tender results as follows:

<u>Company</u>	<u>Net Tender Price (Includes G.S.T.)</u>
Clifford Restoration Ltd.	\$4,224,100
Berkim Construction Inc.	\$4,074,000
D.J. McRae Contractors Ltd.	\$3,972,000
J.J. McGuire General Contractors	\$3,240,000



The net tender price received from all bidders exceeded the projected construction estimate of \$2,297,400 received in September, 2007, from the Project Cost Consultant, BTY Group.

3.3 Outcome of Negotiations – Lowest Tender

At the direction of the Project Implementation Committee (PIC), the Project Manager, Project Architect, Director of Finance and Director of Leisure Services initiated discussions with the low bidder, J.J. McGuire General Contractors, to review the submitted tender price and identify areas for cost reduction without compromising the integrity of the project. It was agreed that savings could be achieved through minor building revisions/alterations to be identified by the Project Architect and by allowing J.J. McGuire General Contractors additional time to obtain refined costing from their sub-trades.

As a result of this cost reduction strategy, J.J. McGuire General Contractors has submitted a revised tender price of \$2,681,342, plus G.S.T.

3.4 Confirmation of Financing Model

The funding model endorsed by Council for the financing of the capital costs for the project is as follows: 50% financed by the Town; approximately 16% from grants from senior levels of government; and approximately 34% from community fundraising.

The PIC is recommending to Council that the funding model be re-affirmed to reflect a 50% contribution by the Town with the balance of the funding being comprised of community fundraising initiatives and government grants.

The Provincial Liberal Government in their recent election platform announced a \$40 Million Capital Program to assist the development/construction of Municipal cultural projects. Staff believe that an applicable government grant program may be available in the near future and a letter introducing the project has been forwarded to the Minister.

3.5 Fundraising Program – Building Naming Rights

On November 8th a kick-off fundraising event was held by the Mayor at Willow Springs Winery. The project was well received and raised over \$300,000 for the project. The Project Fundraising Committee wishes to pursue the initiative of also raising funds through building naming rights. In May, 2001, Council approved a Policy for Naming Municipal Parks, Facilities and Buildings. The criteria/guidelines of the policy include the recognition of substantial gifts and significant donors who have made exemplary contributions to the Town of Whitchurch-Stouffville.



The PIC is recommending to Council that staff be authorized to initiate a Request for Expression of Interest with respect to Naming Rights for the Old Town Building at 19 Civic Avenue in accordance with Town policy. Staff believe that there is a need now for the local arts and cultural community to build on these two fund raising projects to meet the overall goal.

3.6 Project Commencement

Once Council awards the tender for the renovation/restoration of the Old Town Hall Building at 19 Civic Avenue, the General Contractor would likely commence construction on March 1, 2008. Some initial demolition work may start prior to that date. It is anticipated that the construction/commissioning schedule will take approximately 48 weeks for completion.

4.0 FINANCIAL IMPLICATIONS

4.1 Revised Total Project Cost

The revised total project cost can be broken down as follows:

Tender Price (Revised)	\$2,681,342
FF&E	\$ 198,500
Contingency	\$ 100,000
Arch/PM/Eng. Fees	<u>\$ 418,155</u>
Subtotal	\$3,397,997*

(*This cost estimate was \$2.8 million in June, 2007)

The increase in construction costs can be primarily attributed to additional design modifications as well as an extremely competitive construction market in the GTA resulting in higher prices and limited quotations for sub-trade work.

The revised total Project cost has been reviewed by the PIC and based upon the construction market in the GTA, it is doubtful that a re-tender of the project will provide a substantially better price. The PIC believes that the cost reduction modifications made to-date will not affect the integrity of the project.

4.2 2008 Capital Budget

Based upon the funding formula approved by Council, the revised total Project cost of \$3,397,997, would be allocated as follows:

- a) Town Portion (50%) - \$883,418 Voluntary Assistance Agreement (VAA)
(see below)
- \$235,400 Development Charges
- \$580,180 Park Trust



b) Fundraising / Government Grants (50%) - \$1,698,998

Approximately \$300,000 has been raised through the kick-off fundraising event with naming rights and other fundraising events anticipated to contribute to the final fundraising goal of between \$950,000 and \$1 Million. Government grants must make up the balance.

Staff are seeking authorization to allocate alternative funding as a back up for fundraising/government grants should there be the requirement. Options for this include the use of the Hydro Reserve account at \$850,000.

4.3 Voluntary Assistance Agreement (VAA)

Under the Provincial Development Charges legislation, costs for some types of growth projects in a municipality are not eligible. For example, facilities for the growth and development of cultural facilities are not covered. During the Town's negotiations with the developers who were going to extend the sewage and water systems to the Town, Council negotiated a "voluntary" contribution for every new house constructed toward an arts/cultural/museum facility. This document is known as the Voluntary Assistance Agreement (VAA).

One aspect of the Agreement was to provide financial assistance for the construction of one or more Cultural and Arts projects in the Town with funding to be 26% of the project cost to a maximum allowance of \$1.3 Million. It is recommended that the allowance of 26% of the total project be adopted for 19 Civic Avenue and that Notice as set out in the Agreement be initiated. Residual funds from the VAA of approximately \$415,000 would be available for the Museum expansion project.

5.0 ALIGNMENT WITH STRATEGIC PLAN

The renovation and adaptive re-use of 19 Civic Avenue as a flexible programming space in support of the arts, culture and entertainment sectors is aligned with the Town's Strategic Plan in the following manner:

Balanced Growth & Community Sustainability

- Preserve and enhance community character;
- Economic development and job creation;
- Leisure, tourism & cultural development.

Fiscal Stewardship & Asset Management

- Explore partnerships to deliver new infrastructure / services.



6.0 CONCLUSION

The refurbishment of the Old Town Hall Building at 19 Civic Avenue is viewed as an important cultural community project and acts as a catalyst for downtown renewal. The project is aligned with concepts approved in the Memorial Park Master Plan and will be a key community destination for local residents and visitors to the Town of Whitchurch-Stouffville.