

**THE CORPORATION OF THE CITY OF WINDSOR  
OFFICE OF THE CITY ENGINEER**



**MISSION STATEMENT:**

*"Our City is built on relationships – between citizens and their government, businesses and public institutions, city and region – all interconnected, mutually supportive, and focused on the brightest future we can create together."*

<b>LiveLink REPORT 16970 APM/9120</b>	<b>Report Date: January 21, 2014</b> (PW#3752/lp-01/23/14:eb)
<b>Author's Name: Mario Sonego/Administration</b>	<b>Date to Council: January 27, 2014</b>
<b>Author's Phone: 519 255-6247 ext. 6356</b>	<b>Classification #:</b>
<b>Author's E-mail: <a href="mailto:msonego@city.windsor.on.ca">msonego@city.windsor.on.ca</a></b>	

**To: Mayor and Members of City Council**

**Subject: NEW CITY HALL FACILITY (NEW INFORMATION)**

**1. RECOMMENDATION: City Wide: \_\_\_\_\_ Ward(s): \_\_\_\_\_**

- I. That Administration **BE AUTHORIZED** to proceed with the design and construction of a new City Hall to accommodate CITY NEEDS using the DESIGN-BUILD process with milestone reports to City Council and subject to receipt of 30% design approval from City Council, that Administration **BE AUTHORIZED** to issue the DESIGN-BUILD RFP (without honorarium) for the design and construction of a new City Hall, in a manner consistent overall with the requirements contained in the original Report on the January 20, 2014 Council Agenda; and
- II. That Schedule A within Appendix C- *Summary of The City Hall Occupancy Program* completed by NORR Limited on April 11, 2013 **BE CONFIRMED** as the planning basis for the CITY NEEDS in the new City Hall facility to be used in developing the purchasing specifications for the facility; and
- III. That \$34.75 million **BE CONFIRMED** as the overall budget for the construction of a new City Hall to accommodate direct CITY NEEDS, funded from the following non-debt funding sources:
  - a. Previously approved placeholder of \$12 million (M95-2011) resulting from the ISF project surplus,
  - b. Previously approved Capital Project surplus funds totalling \$4.75 million (B5/2013) approved in the 2013 Capital Budget Report, and
  - c. Previously approved \$18 million placeholder (B26/2013) in the 2013 Capital Budget that will be funded from the 5 Year Capital Plan, and

- IV. That Administration **BE AUTHORIZED** to prepare and issue an RFP to retain a Technical Support & Design Consultant(s) to facilitate the design of a new City Hall, including the development of the Owner's Statement of Requirements (OSR), completion of 30% design drawings, cost estimating, development of design-build contract documents, evaluation of design-build proponents and provide contract administration services; and that the Chief Administrative Officer and City Clerk **BE AUTHORIZED** to sign an Agreement with the successful proponent, subject to approval in form to the City Solicitor, in financial content to the City Treasurer, and in technical content to the City Engineer; and
- V. That in accordance with the Official Plan (Policy 8.5.2.8 – Energy Conservation) and the Environmental Master Plan, Administration **BE AUTHORIZED** to include a provision for a building certification standard equivalent to Building Owners and Managers Associations - Building Environmental Standards (BOMA BEST) Level 1, Leadership in Energy and Environmental Design (LEED) or equivalent as optional innovations in the Design-Build RFP; and
- VI. That the results of the Design-Build RFP process **BE REPORTED** to City Council and, subject to the results of the RFP falling within the approved budget, that the Chief Administrative Officer and City Clerk **BE AUTHORIZED** to sign an agreement with the successful party for the design and construction of a new City Hall facility satisfactory in form to the City Solicitor, in financial content to the City Treasurer, and in technical content to the City Engineer; and
- VII. That Administration **BE AUTHORIZED** to proceed with a process for the decommissioning and demolition of the existing City Hall building including consultations with the Heritage Committee, and at the appropriate time and subject to the cost falling within budget and that the Chief Administrative Officer and City Clerk **BE AUTHORIZED** to sign an agreement to effect demolition satisfactory in technical content to the City Engineer, in form to the City Solicitor and in financial content to the City Treasurer; and
- VIII. That City Council **APPROVE** the proposed New City Hall Project Charter (*minus references to tenancies*) including the member structure of the various committees as outlined in the attached Schedule B within Appendix C dated December 18, 2013; and
- IX. That Administration **BE AUTHORIZED** to take any other steps as may be required to bring effect to these resolutions, and that the CAO and City Clerk **BE AUTHORIZED** to execute any required documents for that purpose, subject to legal approval by the City Solicitor, financial approval by the City Treasurer, and technical approval by the City Engineer and that any such steps taken be reported to the project steering committee as soon as is practical following the action.

## 1. DISCUSSION:

PWGSC informed the CAO on January 14, 2014 that they will not be proceeding with being a tenant within the New City Hall building. A copy of their correspondence is attached as Appendix A.

The recommendation is still to proceed with the construction of the New City Hall and as such the new recommendations within this report reflect there will be no tenancy of PWGSC. The new building is still required as the current City Hall continues to deteriorate and the risks to operations as outlined within the original report remain.

The factors that change are:

- The capital cost to build is less, therefore the surplus placeholder funds can now be allocated to other Council priorities.
- As the building is smaller, it is anticipated that the construction timelines will be shorter.
- Additional funding could be allocated to facilitate an enhanced transition plan between the new building, demolition of the old building and an enhanced design to incorporate new parking area within the Civic Esplanade while creating a better access to the City Hall Campus area.
- The project is now controlled by the needs of the City. The largest risk relates to how long the existing City Hall facility systems will continue to function and/or be repaired until completion of the new building. It is still recommended to move the project forward as fast as possible knowing the condition of City Hall.
- Design-Build is still recommended to allow flexibility in the build and to encourage the design builder to be innovative and to generate cost savings. Design-Bid-Build is still an option; however, as was the case previously, the largest drawback remains making changes after award of tender which is usually more costly and time consuming. (Attached in Appendix B is an alternate resolution for DESIGN-BID – BUILD should Council prefer this process).
- The City does not have to assume ownership of a new building (185 Ouellette), which requires renovation. However the concept of having the University Law Faculty within that project will be subject to further discussions to determine if that goal is still viable.

The original report issues are still valid other than “B. OFFSETTING TENANCIES” as there will be no tenant.

The timing of the project will be reviewed by the project team and will be updated as part of the normal course of project management.

The estimated budget is detailed in financial considerations.

#### **4. RISK ANALYSIS:**

The risks detailed in the original report, save and except those related to the PWGSC lease, are still valid.

## 5. FINANCIAL MATTERS:

### Project Capital Funding

Estimated Project Cost	\$34.75 Million
Approved Funding	
1. Previously approved placeholder from the ISF Project surplus (M95-2011)	\$12.0 Million <sup>1</sup>
2. Previously approved transfer of capital project surpluses in the 2013 Capital Budget Report (B5/2013)	\$ 4.75 Million
3. Previously approved \$18 million placeholder in the Capital Budget(B26/2013)	<u>\$18.0 Million</u>
Total Funding	\$34.75 Million

Note 1:Based on preliminary estimates in 2011, the ISF Project surplus was estimated at \$12.0M. To date, approximately \$11.83M of the surplus has materialized with several projects still open and in maintenance phase that may generate additional surplus funds. Should additional surplus funds not materialize; the minor shortfall can be offset by future surpluses in other capital projects.

### Project Cost

Preliminary estimates were developed based on construction standards utilized in the development of 400 City Hall Square in conjunction with the identified spatial needs of 105,000 square feet for City Needs. The estimates include: construction cost, design fees, furniture/fit-up, parking, demolition of old City Hall and miscellaneous items that have been identified to form part of the overall project. The total cost is estimated to be \$34.75 Million for City Needs.

The estimated cost may not be sufficient to include any additional space for future growth requirements or the optional LEED certification. However, it will be recommended that separate pricing be included for upgrade should the budget allow for it.

### Summary of Costs Estimates

The construction and other related costs have been estimated for City Needs only using the two construction processes and are shown in the chart below.

<b>Summary</b>	<b>City Alone Design-Build</b>	<b>City Alone Design-Bid-Build</b>
Construction	\$ 20,475,000	\$ 19,451,250
Design/Permit/Adm	\$ 1,496,000	\$ 2,519,750
Furniture & Fit up	\$ 5,345,000	\$ 5,345,000
Parking (reinstate public parking)	\$ 420,000	\$ 420,000
Interim Financing	\$ 714,343	\$ 714,343
Moving Costs	\$ 157,500	\$ 157,500
Other Miscellaneous	\$ 550,000	\$ 550,000
Demolition	\$ 2,649,500	\$ 2,649,500
Contingency	\$ 2,942,657	\$ 2,942,657
<b>ESTIMATED PROJECT COST</b>	<b>\$ 34,750,000</b>	<b>\$ 34,750,000</b>
<b>LESS PROJECT RECOVERIES</b>		
Less: Corporate Recoveries *	\$ (272,000)	\$ (272,000)
<b>NET CITY COST</b>	<b>\$ 34,478,000</b>	<b>\$ 34,478,000</b>

\*Corporate Recoveries of \$272,000 are estimated costs of building permits of \$147,000 and a \$125,000 reduction in salary costs in other corporate areas. These recoveries are further defined below.

Permit Fees

This \$147,000 line item reflects the estimated amount of the building permit fees that will be paid by the Selected Proponent and which are included in the project costs. As this amount is paid to the City of Windsor, it is a corporate recovery that reduces the net City of Windsor cost for the project.

Reduction in Salary Costs in Other Corporate Areas

This \$125,000 line item reflects the internal staff recovery costs expected to be charged to the project for internal resources. While this cost is included as an incremental cost to the project, it relates to positions that will not be backfilled and are currently in the City's existing base operating budget. Therefore, it is not an incremental cost for the corporation as a whole and this recovery reflects that fact. The amount has been estimated based on the staff that will be recovered from the project.


**6. CONSULTATIONS:**

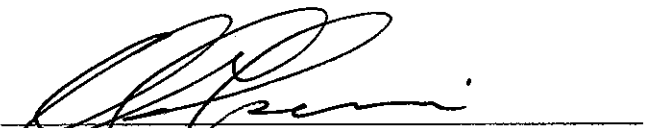
France Isabelle-Tunks, Engineering – Senior Manager, Development & Geomatics  
 Tony Ardovini, Finance - Deputy Treasurer, Financial Planning

**7. CONCLUSION:**


In response to the specific previous direction of City Council to proceed with the option to "Construct a new building with other entities as tenants – to be sought out and returned

to Council”, AND in light of the recent information from PWGSC that it cannot enter into such a lease, this report provides additional information to the original report (Appendix C) and recommends to proceed with the construction of a New City Hall for CITY NEEDS only.

  
 Mario Sonego  
 City Engineer and Corporate Leader  
 Environmental Protection and  
 Transportation

  
 Onorio Colucci  
 Chief Financial Officer/City Treasurer and  
 Corporate Leader Finance and Technology

  
 Shelby Askin Hager  
 City Solicitor

  
 Helga Reidel  
 Chief Administrative Officer

FIT/lp

**APPENDICES:**

APPENDIX A – PWGS letter dated January 16, 2014

APPENDIX B – Alternate Resolution – Design-Bid-Build

APPENDIX C – Original New City Hall Facility report to Council on January 20, 2014

**DEPARTMENTS/OTHERS CONSULTED:**

Name:

Phone #: 519                      ext.

<b>NOTIFICATION :</b>				
Name	Address	Email Address	Telephone	FAX
NORR Limited	719 Griswold St., Suite 1000, Detroit, MI 48226, United States		(313) 324-3140	(313) 324-3111