



The Corporation of the Town of Tecumseh

Chief Administrative Officer

To: Mayor and Members of Council
From: Tony Haddad, Chief Administrative Officer
Date to Council: February 26, 2019
Report Number: CAO-2019-03
Subject: Town Hall Expansion

Recommendations

It is recommended:

1. **That** consideration be given to a Town Hall Expansion at an estimated cost of \$3.15M to be funded by:
 - a. Tax Rate Stabilization Reserve \$1.20M
 - b. Infrastructure Reserve \$1.95M
2. **And that** the Building Lifecycle annual allocation be increased by \$50,000 effective for the 2020 budget year.

Background

In 2005, Town Hall underwent an extensive renovation where the entire building interior was removed and replaced with the existing floor plan and departmental layout. The goal in 2005 was to accommodate staff and meeting space within the existing building footprint for a 10 year period. The cost of this renovation was approximately \$1.5M.

The 2005 renovation has met its original design criteria but has now reached its limit for the following reasons:

1. Increase in Town Hall staff due to either legislative requirements or service level enhancements has resulted in all offices, meeting rooms and workstations now being occupied including a portable office trailer being placed on site.

2. Students, interns and full time staff are sharing space formerly used for meetings or storage.
3. Workstations have been reduced in size to accommodate staff.
4. Due to current occupancy levels, scheduling of meeting room space has become a challenge.
5. A need for more efficient, streamlined customer service has been identified.

At their Regular Council Meeting on September 26, 2017 Council received a report identifying the need for a Town Hall Expansion and requested the project be reconsidered in 2019. Council also requested more qualitative and quantitative details on the proposed design and a preliminary review of costs associated with building a new Town Hall in addition to exploring the possible utilization of other municipal sites.

Comments

The Town has engaged John Gillis, Architect and Associates, to assist with preliminary design review based on current and future needs.

OPTION 1 – Demolish Existing Town Hall and Build New

Due to the fact the current Town Hall is a combination of numerous additions and renovations over the years, the architect provided the following estimate on building a new Town Hall based on current building costs on similar projects in the Windsor-Essex area:

BUILDING COMPONENT DESCRIPTION	COST
Demolition of Existing Building Existing Building 12,702 x \$8.00 / sq.ft. (this does not include asbestos abatement)	\$101,500
Building Shell 20,000 sq. ft. @ \$150.00 / sq. ft.	\$3,000,000
Interior Fit-up 20,000 sq. ft. @ \$120.00 / sq. ft.	\$2,400,000
Furniture Office Furniture – 20,000 x \$25 / sq. ft. (existing office furniture will be repurposed where possible)	\$300,000
IT Equipment and Installation	\$150,000
Permit, renovations to existing site services, landscaping, sidewalk extensions to parking lot etc.	\$100,000
TOTAL CONSTRUCTION COST	\$6,051,500
General Condition (12% Overhead & Profit)	\$726,180
Building Construction 5% contingency fee	\$302,575
Professional Fees	\$220,000
Net HST non recoverable	\$128,484
TOTAL PROJECT COST ESTIMATE	\$7,428,739

This is costing for a single storey. A two-storey building would save approximately 8 to 10% but this savings would be offset by costs for an elevator, machine room and washroom (public and private) on each floor. Other issues would also need to be reviewed prior to making a decision related to one or two storey construction.

OPTION 2 – Expansion of Existing Town Hall

Renovation and Expansion of existing Town Hall

BUILDING COMPONENT DESCRIPTION	COST
Demolition <ul style="list-style-type: none"> Removal of brick & stone veneer Removal of windows Removal of concrete stair, handrails, etc. 	\$25,000
Building Interior and Exterior Cost <ul style="list-style-type: none"> East Expansion 5,790 sq. ft. @ \$220 / sq. ft. \$1,273,800 South Expansion 1,715 sq. ft. @ 220 / sq. ft. \$377,300 	\$1,651,100
Landscaping <ul style="list-style-type: none"> Concrete sidewalks, handicapped ramp and handrails Planter and sitting area 3 Flag poles & footings Exterior lighting Grass and planting areas 	\$150,000
Additional Extras <ul style="list-style-type: none"> New entrances for main entrance and council chambers Feature wall Skylights Over head doors in Council Chambers New reception counters, security gates, lighting flooring etc. Existing building – new council office and 2 storage areas 	\$225,000
Furniture <ul style="list-style-type: none"> Based on \$25 / sq. ft. – new addition 7,505 sq. ft. x \$25.00 (most of existing office furniture will be repurposed in expansion) 	\$140,000
IT Equipment & Installation	\$100,000
Additional Site Work Parking lot extension and north end enclosure	\$15,000
Building Construction Cost	\$2,306,100
General Condition (15% Overhead & Profit)	\$345,915
Building Construction 12% Contingency Fee	\$276,732
Professional Fees Architectural, Civil, Structural, Mechanical and Electrical Engineering	\$161,427
Net HST non recoverable	\$54,387
TOTAL PROJECT COST	\$3,144,561

This budget price for a Town Hall expansion is based on current material and labour figures generally accepted within the construction industry in the Windsor-Essex area.

Since amalgamation in 1999 the Town has invested approximately \$1.5M in Town Hall renovations. Some examples of recent construction of other Town Halls in Essex County include:

- Kingsville – 3,600 sq. ft. addition - \$1.98M
- Leamington – new building - \$9.2M (1/3 from Federal and Provincial Governments)
- LaSalle – new building - \$12.2M which includes public and library space.

The expansion design (see attached figures 1 -2) includes the following:

1. A new 5,300 sq. ft. addition to the front of the existing Town Hall between the front entrance and current Council chambers. This area would be occupied by the Financial and Corporate Services departments with a new customer service counter and expanded lobby. The space formerly occupied by these departments would be used as an office for the Manager Strategic Initiatives, student/intern work stations, new office space for Council, and additional storage.
2. A new 1,700 sq. ft. addition at the south end of the building would accommodate the Town's Environmental Services department and office space for the Director Recreation Services. This allows for continued sharing of common resources between the 'technical' departments – Environmental Services, Planning and Building, and Information & Communication Services including Geographic Information Systems.
3. As part of the design, the current kitchen is repurposed as a meeting room and a new larger kitchen built.
4. Provision of consultation rooms adjacent to main lobby for private meetings with clients.
5. Public access to Council chambers will be through a new entrance at the northeast corner of the building and will include an overflow area for the chamber gallery.
6. New exterior design and landscaping including a main entrance promenade (see attached renderings figures 3-5).

The new floor plan also incorporates the following design considerations:

- Functional/Operational Design with regard to integrated technology and occupancy
- Flexible use of space
- Security/Safety relative to health and safety of staff with regard to the creation of a comfortable work environment
- Energy efficient technology throughout the existing and proposed floor areas. (ex. Introduction of natural light, LED lighting and building automation controls)
- Provides a cost effective and aesthetically pleasing environment for staff and visitors

It is important to note that the workplace design is very important for staff morale, productivity and a healthy and safe work environment. Having staff work out of office trailers, undersized workstations and meeting rooms is not conducive to a healthy workplace, does not portray a professional image to the public and most importantly affects customer service.

All departments that currently reside in Town Hall have provided space needs projections for the next 10-15 years and these requests have been incorporated into the design of the new building expansion. Industry standards (*Whole Building Design Guide, National Institute of Building Science*) were used to calculate space for private offices, support staff, meeting rooms, storage/filing rooms, reception/public areas and ancillary spaces.

Staff reviewed the use of other municipal sites for storage and staff and reconfirmed that these areas are mostly occupied.

Location	Description of Space Available
Manning Rd. Parks Building	500 sq. ft. in shop mezzanine for materials storage
Lacasse Blvd. – Environmental Services	700 sq. ft. occupied by BIA
Tecumseh Arena	No room for staff or storage
Golden Age Club	No room for staff or storage
St. Clair Beach Community Centre	No room for staff or storage
Fire Station #1	No room for staff or storage
Fire Station #2	No room for staff or storage
McCord garage	No storage
McAuliffe Park	No storage

The current Town Hall structure is sound and this design for expansion and renovation would allow for growth within the organization over the next 15 years. The total investment from 1999-2034 for improvements to the Town Hall will be \$4.7M.

It is anticipated that this project would be tendered by Q3 2019.

Consultations

All Departments

Financial Implications

Budget price above	\$3,090,174
Net HST not recoverable (1.76%)	54,387
<u>Total estimated cost</u>	<u>\$3,144,561</u>

Expansion of Town Hall has been identified in the budget as one of several drivers supporting the need for a New Infrastructure Levy (NIL) to assist in funding projects with no other current source of funding. The NIL (targeted at \$1.3M annually for 2019) is allocated to the Infrastructure Reserve which currently has an uncommitted balance of \$4.5M projected for December 31, 2019.

Administration also reviewed the Tax Rate Stabilization (TRS) reserve which is currently projected to have a balance of \$4.0M at the end of 2019. The TRS is committed to fund legal costs for the lottery license lawsuit currently in progress as well as other unexpected expenditures that may arise.

The Building Lifecycle Reserve has an estimated December 31, 2019 balance of \$802,000. This reserve is generally for the maintenance of current building structures and not for expansion of existing buildings.

There are currently no infrastructure grants available to fund a Town Hall Expansion project. A portion of the expansion may be eligible for Development Charge funding, however collection of those revenues will be realized sometime in the future at which point the amounts will be transferred in to pay the TRS.

Administration considered available funding resources, other potential uses for the NIL and TRS, tax levies and other funding sources in recommending that funding for the estimated \$3.15M construction cost for the Town Hall expansion be funded from:

Tax Rate Stabilization Reserve	\$1.25M
Infrastructure Reserve	\$1.90M
<u>Total</u>	<u>\$3.15M</u>

As new infrastructure is added, the Lifecycle program requires the annual LC allocation be increased to fund the future replacement of the new infrastructure. Accordingly, Administration recommends that the Building Lifecycle annual allocation be increased by \$50,000 effective for the 2020 budget year.

Upon review of commercial lease rates in Tecumseh for office space, the value of \$15/sq. ft. /year is commonly used and as such would require an operating expense of \$300,000/year for only the lease payment. A 'lease to own' scenario would add to this amount substantially and is normally only used when capital funds are not available and where the lease payment can be used as a tax deduction by the private sector.

Link to Strategic Priorities

Applicable	2017-18 Strategic Priorities
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|-------------------------------------|---|
| <input checked="" type="checkbox"/> | Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers. |
| <input checked="" type="checkbox"/> | Ensure that the Town of Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making. |
| <input checked="" type="checkbox"/> | Integrate the principles of health and wellness into all of the Town of Tecumseh's plans and priorities. |
| <input checked="" type="checkbox"/> | Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses. |
| <input type="checkbox"/> | Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals. |

Communications

Not applicable

Website

Social Media

News Release

Local Newspaper

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Shaun Fuerth, BCS
Director Information & Communication Services

Reviewed by:

Luc Gagnon, CPA, CA, BMath
Director Financial Services & Treasurer

Recommended by:

Tony Haddad, MSA, CMO, CPFA
Chief Administrative Officer

Attachment Number	Attachment Name
1	Conceptual Site Plan, Floor Plan, Promenade, Elevations