

THE CORPORATION OF THE TOWN OF GEORGINA

COUNCIL AGENDA ADDENDUM

Wednesday, October 5, 2016
9:00 AM

12. REPORTS

(2) REPORTS REQUIRING SEPARATE DISCUSSION

Report from the Chief Administrative Officer:

Pages 1-7

(F) Civic Centre Strategic Accommodation Options Plan – Interim Report

Report No. CAO-2016-0028

Recommendation(s):

- 1. That Council receive Report No. CAO-2016-0028 prepared by the Office of the CAO, dated October 5, 2016 respecting Civic Centre Strategic Accommodations Options Plan – Interim Report.**
- 2. That Council consider the options outlined in the Interim Report prepared by Pivotal Project Inc (Attachment 1) and provide feedback on the Options and the development of Evaluation Criteria.**

(Advisement: Presentation to be provided by Pivotal Projects Inc. in conjunction with report)

THE CORPORATION OF THE TOWN OF GEORGINA

REPORT NO. CAO-2016-0028

FOR THE CONSIDERATION OF
COUNCIL
OCTOBER 5, 2016

SUBJECT: CIVIC CENTRE STRATEGIC ACCOMMODATION OPTIONS PLAN -
INTERIM REPORT

1. **RECOMMENDATION:**

1. That Council receive Report No. CAO-2016-0028 prepared by the Office of the CAO, dated October 5, 2016 respecting Civic Centre Strategic Accommodations Options Plan – Interim Report.
2. That Council consider the options outlined in the Interim Report prepared by Pivotal Project Inc (Attachment 1) and provide feedback on the Options and the development of Evaluation Criteria.

2. **PURPOSE:**

3. This report is intended to be an interim update on the development of the Strategic Accommodation Options Plan. This report outlines the accommodation options being evaluated, as well as the proposed evaluation criteria, and seeks feedback on both.

3. **BACKGROUND:**

In August, Pivotal Projects Inc. were retained to undertake the Strategic Accommodations Options Plan pertaining to the long term accommodation needs of the Civic Centre services.

Council considered report No. CAO-2016-0027 on September 28, 2016 respecting the Strategic Accommodation Options Plan next steps (after receipt of the Final Report). To ensure transparency of the process and reflect the importance of the project, Council determined a move forward approach with Council as a whole guiding next steps for the project. Staff are to report back with a plan to ensure community engagement.

The final report from Pivotal Projects Inc. is scheduled to be before Council on November 2, 2016.

The interim report prepared by Pivotal Projects Inc. has been attached for your review.

4. ANALYSIS:

The interim report prepared by Pivotal Projects Inc. identifies the accommodation options that are being evaluated as well as the proposed evaluation criteria. The consultant team is seeking feedback on both of these topics.

5. FINANCIAL AND BUDGETARY IMPACT:

Financial impacts associated with the various options will be included in the final report.

6. PUBLIC CONSULTATION AND NOTICE REQUIREMENTS:

Further to staff report CAO-2016-0027 considered by Council on September 28th, 2016, staff is to report back with options for community engagement.

7. CONCLUSION:

The consulting team would benefit from Council feedback on accommodation options and proposed evaluation criteria prior to moving to next steps of the project.

Prepared by:

Winanne Grant, B.A., AMCT, CEMC
Chief Administrative Officer

*Attachment 1 – Interim Update to Council regarding Civic Centre Strategic
Accommodation Options Plan*

September 30th 2016

Interim Update to Council: Strategic Accommodations Options Plan

PURPOSE OF THIS UPDATE

This report is intended to be an interim update on the development of the Strategic Accommodations Options Plan. This report outlines the accommodation options being evaluated, as well as the proposed evaluation criteria. The Consulting Team is requesting feedback on both of these topics. Specifically, if there are options that are missing, or should be dropped from consideration at this point, these should be identified.

OVERVIEW OF THE OPTIONS:

The following options are being analysed:

Options	
Existing Building	
Option 1	Hold steady
Option 2	Renovate and expand existing building
2A	Building remains occupied (or partially) through construction
2B	Building is vacated for construction (swing space required)
New Building	
Option 3	ROC Site
Option 4	Third-party owned site (e.g. Keswick Business Park)
4 A	Purchase and build / purchase and design-build
4 B	Build-to-suit for lease
Option 5	South Keswick (MURC Site)

General Assumptions:

- Options need to be compared on an "apples and apples" basis
- Term of the analysis is 30 years
- The customer service strategy is being studied and would be implemented separately from the real estate decision. Decentralization is part of the customer service decision, and could be applied to any or all of the options, thus is not an option in itself. In the decentralized model, we assume that (as a longer-term component of the customer service strategy), the customer service footprint is decentralized through provision of additional services (through cross-trained staff or self-service kiosks) at various points in the community. Back office and corporate functions remain centralized at a central civic centre location.
- Accommodation of short term space alignment and growth pressures (including the development of the two planned customer service hubs) needs to be addressed in all of the options.
- Procurement strategy for any new build (e.g. P3/AFP, design-build, design-bid-build etc.) will be determined after the preferred solution is identified. For consistency purposes in this analysis, we will assume that any new build procurement option is executed on a design-bid-build basis (except for option 4B). (Note: Based on Infrastructure Ontario's guidance, AFP projects (P3's) are generally suited to large scale infrastructure projects greater than \$50 M.

The civic centre project is not likely to make this threshold, therefore, with the exception of design-build acquisition methodologies, other forms of AFP's may not be appropriate).

6. Financing strategy is a separate decision. The options for financing are available to each real estate option.

Option 1: Hold Steady

Assume occupancy of current building continues and capital is spent to address deferred maintenance and improve health, safety and accessibility.

Benefits	Disadvantages	Risks
<ul style="list-style-type: none"> • ROC campus amenities • Current location is "neutral" 	<ul style="list-style-type: none"> • Does not address required staff growth, immediate or future. • Staff remain split in two locations on the ROC campus • No improvement to quality of office space • Floor plate inflexible and inefficient for contemporary office use and functional obsolescence remain • Continued higher operational cost relative to a new facility. • Business disruption through construction 	<ul style="list-style-type: none"> • Code and AODA compliance not fully addressed • Structural limitations • Unknown building conditions can create unforeseen costs • Business continuity risks during renovation while occupied

Option 2: Renovate and Expand the Existing Building

Complete retrofit of the existing building (slab to slab) to bring it as close as possible to Class A standard addressing AODA, code compliance and deferred maintenance. Extension of the building to accommodate growth, on the ROC site. There are two options for executing this option.

Option 2A:

Extension is built and used as swing space. The retrofit is staged over multiple years and the staff are moved around the building as space is completed.

Option 2B:

Swing space is acquired in order to completely vacate the building. Staff relocated into swing space and moved back upon completion (shorter duration construction schedule than Option 2A).

Benefits	Disadvantages	Risks
<ul style="list-style-type: none"> • ROC campus amenities • Current location is "neutral" 	<ul style="list-style-type: none"> • Floor plate inflexible and inefficient for 	<ul style="list-style-type: none"> • Structural limitations

Benefits	Disadvantages	Risks
	contemporary office use and future growth. Functional obsolescence remains. <ul style="list-style-type: none"> • Swing space required (Option 2B) • Business disruption through construction (longer for Option 2A) 	<ul style="list-style-type: none"> • Unknown building conditions can create unforeseen costs • Swing space availability

Option 3: New Building – ROC Site

A new building on the current ROC site, demolish the old.

Benefits	Disadvantages	Risks
<ul style="list-style-type: none"> • ROC campus amenities • Current location is "neutral" • New efficient building • No swing space requirement • No business disruption 	<ul style="list-style-type: none"> • Perception of change may be negative 	<ul style="list-style-type: none"> • Site conditions

Option 4: New Building – Third-party Owned Site

A new building on a third-party owned site (e.g. Keswick Business Park), demolish the old. Can be on a purchase and build basis (Option 4A) or on a lease basis (Option 4B). Existing building site would be reclaimed for expansion of ROC amenities.

Option 4A: Purchase and build

Benefits	Disadvantages	Risks
<ul style="list-style-type: none"> • New efficient building • No swing space requirement • Potential to kick-start development activity in the Keswick Business Park if that site is selected 	<ul style="list-style-type: none"> • Location may be perceived to be a disadvantage • Capital required for purchase of site 	<ul style="list-style-type: none"> • Site conditions • Procurement process may be politically sensitive • Site readiness and timing (from a development perspective) •

Option 4B: Lease a build-to-suit building on a third-party owned site, procurement will be for a site and a build-to-suit proposal from interested developers.

Benefits	Disadvantages	Risks
<ul style="list-style-type: none"> • New efficient building • No swing space requirement • Lower up-front capital costs 	<ul style="list-style-type: none"> • Location may be perceived to be a disadvantage 	<ul style="list-style-type: none"> • Site conditions

<ul style="list-style-type: none"> • Capital cost fixed early in process • Potential to kick-start development activity in the Keswick Business Park if that site is selected 	<ul style="list-style-type: none"> • Loss of control of design & details • Image issue – civic building being leased, not owned • Leased solution may not be appropriate • Cost of developer financing higher than municipal sources 	<ul style="list-style-type: none"> • Procurement process may be politically sensitive • Site readiness and timing (from a development perspective) • Relocation at term of lease (unless a "lease to own" solution is negotiated) or risk of recapitalization at term
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Option 5: New Building – Co-located with MURC, South Keswick

A new building on the MURC site in South Keswick, demolish the old.

Benefits	Disadvantages	Risks
<ul style="list-style-type: none"> • MURC campus amenities • New efficient building • No swing space requirement • More effective purchasing power because the Civic Centre is part of a larger complex 	<ul style="list-style-type: none"> • Location may be perceived to be a disadvantage • Confusion/conflict of activities • Purchase of additional land required to meet program needs. • Planning and Zoning approvals likely required, extended timelines. 	<ul style="list-style-type: none"> • Site conditions • Site readiness and timing (from a development perspective)

EVALUATION CRITERIA:

Ultimately each option must be evaluated by the extent to which it meets the objectives and future needs. Input on these topics has been drawn from staff and Council member interviews. These will be turned into evaluation criteria with a weighting and scoring system, as not all will be of equal importance. Council endorsement is requested on the appropriateness of the factors below, and whether any should be dropped because of lack of relevance.

Major Future Drivers of Change:

The selected option should have a strong future focus. The following future change drivers were identified from interviews with Council and staff (random order):

- Growth, economic development, future focus
- Customer service
- Changing technology
- Keeping costs under control, viability, affordability.

Major Objectives: (will receive a higher weighting)

1. Providing a healthy, safe, secure and accessible workplace for staff and visitors
2. Providing a workplace that includes improved technology tools
3. Providing a workplace that meets functional needs of staff, and improves staff productivity and wellness
4. Meeting needs for future growth in services and staff
5. Supporting excellence in customer service through:
 - a. easy access and accessibility to the Civic Centre for visitors, and a welcoming and comfortable client service experience
 - b. optimal design of space for staff use promoting synergies between departments
6. Providing a workplace that fosters collaboration, transparency and flexibility, and reflects commitment to the code of conduct and cultural values

Secondary Objectives:

7. Right location to serve the community
8. Demonstrate environmental stewardship as an example to the development community

Other Considerations:

9. Demonstrate long-term thinking and stewardship of public assets for the next generation
10. Being a symbol of civic pride and supporting citizen engagement
11. Demonstrate confidence in Georgina's economic future by investing in the Civic Centre