



Closed Committee Report

Confidential

To: Warden Paul Eagleson
Members of the Executive Committee

From: Kelley Coulter
Chief Administrative Officer

Date: September 6, 2018

Re: Development of County Hubs in Port Elgin & Kincardine

Recommendation:

The Development of County Hubs in Port Elgin & Kincardine Report is for information.

Background:

The County of Bruce owns the Library Headquarters in Port Elgin and this building has a surplus of unimproved space. There is a desire from the Human Services department, which currently rents office space, to improve efficiencies by sharing space in the library headquarters building. The current space occupied by Human Services does not meet staffing and client needs as it is cramped and does not meet accessibility requirements.

Additionally, there is a desire by the Corporation to complete the “hub” service model at the regional level, creating a “one-county-one voice” mantra. The concept of locating county services in a “one stop” service environment fits with all the key recommendations of the strategic plan and operational review.

In the fall of 2017, a Cross Functional Team was established with representation from Library, Human Services and Planning and Development as currently both Library and Planning and Development Departments have staff working in the Library Headquarters building, to review the expansion of the lakeshore hub office. The business case under consideration when the project initiated was that Human Services staff could relocate into the Lakeshore Hub office (Library Headquarters), utilizing the surplus space and thus creating a “hub” of service in the Saugeen Shores area.



As a first step, a conceptual design was created by Allan Avis Architects. All three departments provided input into their individual departmental needs and the conceptual design described below in Option 1.a. and 1.b. was created. In order to understand associated costs, the next step completed was a Site and Building Assessment with a Class 'D' estimate of costs for the proposed renovation.

Based upon the findings of the Site and Building assessment, the financial implications of the Class 'D' estimate alongside, the current market and the need for a paramedic station in the same geographical area the Cross Functional Team expanded the scope of the review to evaluate a number of additional options described in Options 2., 3., and 4 below.

Estimate of Value - 1243 MacKenzie Road (Library Headquarters)

Ron Hooper Real Estate Ltd. - Appraisal Services was requested to conduct an appraisal for 1243 MacKenzie Road, Port Elgin (Library Headquarters) for the purpose of estimating current market value of the property with consideration for the current competitive market situation. After considering all the general and specific data pertinent it was concluded, as at May 2018 that the **Current Market Value of the Property is \$1,740,000.**

Note: For all options listed below the estimated pricings are Class 'D'; assume a 10% contingency and a square foot cost of \$300/ft² for office and \$200/ft² for paramedic garage.

Option 1a.

Renovate Library Headquarters to accommodate the addition of the Human Services Department into the existing building with shared meeting space and "hoteling" space (i.e. for other staff working temporarily in the building in alternate work locations or as required for operational requirements). As per the Site and Building Assessment completed by Alan Avis Architects, the total cost to renovate the structure with all recommended renovations and upgrades is \$1,880,519.16. This option would meet the needs of Library, Planning and Development & Human Services, however the Paramedic station would need to advance separately as a separate build and project.

Option 1b.

This second option is the same decision as the first, namely to renovate the Library Headquarters to accommodate Human Services but includes a deferred completion of some capital. The Site and Building Assessment identified priority renovations and upgrades that are necessary to preserve the building and to meet the needs of the expansion. The assessment identified that, as at December 2017, there were lower priority areas address areas such as the roof and landscaping. The current roof is



usable and is not at its life expectancy, however, it is not aesthetically pleasing due to the peeling of the paint on the exterior of the roof. Again, this option would meet the needs of the three departments included, however the deferred roof and landscaping work would leave a less than an appealing building, which could be, perceived as a negative reputational impact for the County.

Option 2

To renovate the existing Library Headquarters building, accommodating Human Services, Library, Planning and Development and include an addition to house the Paramedic station. This option utilizes the existing property and eliminates the need to acquire new property. It also allows for efficiencies in sharing common building spaces such as staff lunchroom, exercise and washrooms.

This option was explored with Allan Avis Architects Inc. and a Class "D" Construction estimate was provided that outlined the following description of work:

- Existing Building Renovation - \$1,159,300
- Addition for Shared Common Space and Paramedic Station - \$4,086,550
- Exterior Site Development - \$6,117,050
- Total Cost including Contractor General Conditions, Permits & Fees, 10% Design & Construction Contingency, Taxes - \$8,813,139

Option 3

To demolish the current Library Headquarters and construct a building that meets the needs of Library, Planning and Development, Human Services and the Paramedic station on the same site. This option utilizes the existing property and eliminates the need to acquire new property. The building is 23 years old, the cost to renovate the structure is \$1,880,519, and the paramedic build would require additional expenditure in a separate project.

In Option 3. there would be additional rental costs for the temporary relocation of staff while the project is completed, which have not be explored, additionally given the market conditions there will be limited options available without a requirement for additional expenditure to meet temporary needs.

This option was explored with Allan Avis Architects Inc. and a Class "D" Construction estimate was provided that outlined the following description of work:

- Demolition and Removals - \$197,480
- New Hub Office and Paramedic Station - \$7,375,500
- Exterior Site Development - \$8,444,180
- Total Cost including Contractor General Conditions, Permits & Fees, 10% Design & Construction Contingency, Taxes - \$12,165,952



Option 4

A fourth option that deserves consideration given the investment required to renovate a 23 year old building alongside the market conditions for building sales in the Town of Saugeen Shores and the need for a paramedic station in the same geographical area, is to sell the current Library Headquarters at an estimated value of \$1,740,000 and construct a new structure. The new building would be purpose designed to provide accommodation for Library, Human Services, Planning and Development; and a Paramedic station. Building one structure will be more efficient for operations and less expensive than building two separate structures. Common areas such staff lounge, meeting rooms and exercise/wellness area can be incorporated into one building for use by all employees.

Concurrently, the Human Services Department has been working on advancing the Kincardine Housing Regeneration Project and seeking land for the build. Additionally the pressures for rental housing accommodations have been increasing in Saugeen and Kincardine with the activity associated with advancement of the focus on building the greater nuclear area. Discussions have ensued between County staff and staff at the Municipality of Kincardine and the Town of Saugeen Shores to work collaboratively to expand affordable rental housing options to reduce the growing housing pressures. With initial conversations there may be a possibility to secure donated land in both Port Elgin and Kincardine. This would serve the purpose of both a service hub (accommodation for Human Services, Library, Planning and Development, Paramedic Services) and mixed housing. If similar parcels of land can be acquired, in both locations, staff are suggesting consideration be given for creating one conceptual design, which could be built in two locations simultaneously. This would reduce design costs and create efficiencies in the builds for ongoing Housing operations. This would conclude the enhancement of the "hub" service model (i.e. hubs currently established in Walkerton and Wiarton). This would also further the goals and objectives of the Housing Regeneration (Capital Asset Management) efforts and the Long Term Housing Strategy.

The Kincardine housing build is currently the only proponent for the IAH & SIF new rental funds for 2018. The evaluator provided feedback that without the identified land and budget they could only suggest that the County consider negotiations with the BCHC project until that was confirmed. The deadline to confirm land and a build project is the end of September, otherwise the evaluator recommended putting forth a request to the community for new proposals. The funds are to be committed by December 2018 or risk returning to the province. Due to the delays of the provincial writ period and the Municipal lame duck period staff are attempting to negotiate a delayed commitment date with the province.



Finally, the existing staff complement does not have the capacity to undertake the project management of any of the proposed options. However, with the opportunity presented with aligning two similar projects a fixed term contract position could be effectively utilized as part of the project build budget to oversee the both projects over the course of the build.

Financial/Staffing/Legal/IT Considerations:

The financial and staffing considerations are included in the background of the report. There are no legal or IT considerations associated with the report.

Interdepartmental Consultation:

The Steering Committee when originally formed was comprised of staff from the three departments of Library, Planning & Development and Human Services. With the expansion and consideration for the Paramedic Station, staff from Health Services have been involved in advancing those considerations.

Link to Strategic Goals and Elements:

Goal #6 - Explore alternate options to improve efficiency, service
Element C- Look for economy of scale or shared services among our departments and communities.

Approved by:

Kelley Coulter
Chief Administrative Officer