



**Town of Georgina
Business Case for New Capital Initiatives
19-FAC-3**

Title of Request: Construction Budget for the Town of Georgina Civic Centre (CC)

Date: 30th November, 2018

Department: Office of the CAO

Division: Special Capital Initiatives

Project Description: To approve project budget of \$26,966,400 through to 2021/2022

1. Proposed Year of Initiative: 2019 – 2021/2022

2. Nature of Initiative/Review Factors (check and explain all that apply):

- Legislative, Growth Risk Management, Customer Service, Service Level Change
 Strategic Priority, Efficiency, Adopted Plan/Study
 Other (please specify)

3. Brief Links to Strategic Plan Departmental Business Plans or Other Plans:

The Town of Georgina has outgrown its initial accommodations. workplace does not optimally support staff or visitors from a customer service, process and workflow, technology, mobility, accessibility, human comfort, ergonomic and collaboration perspective. A larger and more efficient/upgraded Civic Center building has been identified as a need, especially with the presence of many health and safety concerns at the current building used as the Town's Civic Center.

The Town of Georgina has retained Pivotal Projects Inc. in association with +VG Architects and Thinking Strategy: New Paradigms Inc. to develop o Strategic Accommodations Options Plan for the Town's office accommodations currently housed in the Civic Centre and Operations Centre on the Recreational

Outdoor Campus ("ROC") site. Although comparable from a full-lifecycle cost perspective, a new stand-alone Civic Centre offers the best value for money in the long term and was thus recommended. This is the link to the study:

https://www.georgina.ca/sites/default/files/page_assets/strategic_accommodation_options_plan_final_consultant_report_11-02-16.pdf?token=lyo_9ZGD

This project addresses the Town's Strategic Plan as follows:

- GOAL 2: "Promote a High Quality of Life" - Healthy, Safe, Sustainable; Communities - A vibrant, healthy, safe and accessible community;
- GOAL 3: "Engage Our Community & Building Partnerships" - Communication Engagement, Collaboration & Partnerships;
- GOAL 4: "Provide Exceptional Municipal Service" - Organizational & Operational Excellence to the residents and other stakeholders.

4. Main/Desired Goal or Outcomes/Benefits:

The new Civic center mirrors the aspiration of the community to attain the best value for money for the residents of the Town of Georgina as well as providing a safe and healthy center for the community, staff and other stakeholders. Moreover, the new Civic Centre:

- Will be designed to fit current and future needs (118 and 29 respectively.)
- Will meet current codes and AODA requirements.
- Will meet contemporary expectations with respect to environmental impact and energy use.
- Will have lower operating costs over the next 30 years resulting from more efficient design and construction.
- Will have a smaller relative footprint to house Civic Center operations.
- Will optimally support staff or visitors from a customer service, process and workflow, technology, mobility, accessibility, human comfort, ergonomic and collaboration perspective.

5. Cost/ Financial Impact, Recovery and Net impact

- A commentary on the Budget build-up for the new Civic Centre project, based on the Preliminary Budget prepared by Pivotal / WSP Project Managers:
 - ✓ The budget for the new construction is \$23,712,968 (including contingencies), with the balance of up to \$26.5M being allocated for interim capital maintenance at the existing Civic Centre, interim capital maintenance for the operations centre and demolition of the current Civic Centre.
 - ✓ The new construction budget of \$23,712,968 divided by the area of 45,173 sf equates to \$525 per sf. Since the calculations do not mention HST, it is assumed that this is not included and therefore not relevant to these calculations.
 - ✓ We have used the figures that the Town have used to establish their budget, prepared by WSP Project Managers, which will be subject to change as the design progresses and we prepare a Class D Budget Estimate.
 - ✓ Typical escalation for these type of builds is 5% non-compounded of the project which will be carried from 2019 onwards on top of the total project budget
 - ✓ While the below table summarizes the findings of the pivotal study, a Market Range is presented for high-level benchmarking:

CC New Construction Area (SF)	45,173	Pivotal Estimates \$/SF	Market Range \$/SF		Budget/ Item	Year									
						2018		2019		2020		2021		2021	
						%	\$	%	\$	%	\$	%	\$	%	\$
Budget Item	% of CC Budget		Basic	High											
FF&E	8%	43	35	45	\$1,939,135	0%	\$0	0%	\$0	30%	\$581,740	70%	\$1,357,394	0%	\$0
Escalation	7%	36	25	34	\$1,606,712	0%	\$0	20%	\$321,342	30%	\$482,014	50%	\$803,356	0%	\$0
Signage	1%	6	3	8	\$277,019	0%	\$0	0%	\$0		\$0	100%	\$277,019	0%	\$0
Consulting / Professional	16%	83	50	54	\$3,767,462	3%	\$113,024	45%	\$1,695,358	37%	\$1,393,961	15%	\$565,119	0%	\$0
CC New Construction	68%	357	300	380	\$16,122,521	0%	\$0	0%	\$0	57%	\$9,189,837	38%	\$6,126,558	5%	\$806,126
Total for New CC		525	469	601	\$23,712,849										
Current CC Hold steady					\$1,287,151	5%	\$64,358	40%	\$514,860	35%	\$450,503	20%	\$257,430	0%	\$0
Current CC Demolition					\$1,500,000	0%	\$0	0%	\$0	0%	\$0	95%	\$1,425,000	5%	\$75,000
CC Projected Cash flow						1%	\$177,381	10%	\$2,531,561	46%	\$12,098,055	41%	\$10,811,877	3%	\$881,126
Non-Rebate Tax (1.76%)							3,122		44,555		212,926		190,289		15,508
Total CC Project Budget											\$26,966,400				

* Hold Steady and demolition figures, along with cash flow projections, are assumptions made based on the \$26.5M balance.

- ✓ It should be noted that the above are only estimates that will typically get refined as the project progresses and stakeholder requirements and needs have been narrowed down.
- ✓ The Construction cost for the new Civic Centre can fluctuate dependent upon the design complexity (or simplicity), specification of materials, amount of site works, requirement for services infrastructure (new services connection and trenching etc.), keeping external enclosure perimeters to a minimum, to name a few. Obviously, the less complex the design, then the more economical to build. At this extremely early stage, it is prudent to advise of a cost range based on specifications, where at \$525/ SF, the current project budget is somewhere within the Basic and High Specifications' range indicated below:
 - Basic Specification: Assumes a basic level of design and finish to the proposed new Civic Centre. For example, a rectangular building that meets the space and functional requirements of the Town, with minimal exterior enclosure area (i.e. minimal courtyard space etc.), flat soffits for easy services distribution, mixture of open plan and enclosed offices, no atrium space, M&E Installations that meet the requirement for the staffing and site work areas (surface car park, planting areas).
 - High Specification: Assumes a higher level of design and finish to the proposed new Civic Centre. For example, a building that meets the space and functional requirements, with atrium space, courtyard or external social areas, terrace, good quality finish throughout, with higher quality finishes to Reception and Client areas, open staircases with balustrading etc. M&E Installations with comfort cooling to LAN Rooms, Large Meeting Rooms, Boardrooms etc., mixture of open plan and enclosed offices with glazed fronts to some offices and site areas for surface car parking, planting, turfed areas, planter beds, bike sheds.
- ✓ A summary of the estimated cash flow projection for the Civic Centre is as follows:

CC estimated cash flow	
2018 estimated cash flow	\$180,503
2019 estimated cash flow	\$2,576,116
2020 estimated cash flow	\$12,310,981
2021 estimated cash flow	\$11,002,166
2022 estimated cash flow	\$896,634
CC Project Budget	\$26,966,400

6. Other Considerations or Efficiency Options:

Can you defer the request? No

Is it more efficient to contract out the initiative? No

Can you combine this initiative with other present functions? No

Can you change the services model to reduce this demand without reducing service levels? No

Can you better leverage technology? No

Can you share service delivery with other Town Departments/Agencies or municipalities? No

7. Short-term results expected: Council approves current proposed budget for project to proceed. This will further allow the Architect team to be hired in 2019 to provide a design in accordance with Council, stakeholder and public needs and requirements. Thus providing a more accurate budget.

8. Long-term Results expected: Anticipated start of construction in 2020 with substantial completion in the second half of 2021. The staff development of refined capital and operating budget for the needs of the new Civic Centre would require Council approval in 2020. Funding a new Civic Centre starting in 2019 has many advantages to the Town of Georgina including but not limited to the following:

1. Avoiding major issues experienced at the current Civic Centre:

- 1.1. Efficiency and future flexibility constrains because of shape of floor plate, which restricts central customer service model.
- 1.2. Higher costs to address structural constrains (i.e. document retention weight loads, growing IT infrastructure, etc...)
- 1.3. Growing backlog for maintenance and capital replacement
- 1.4. Higher operating costs over a larger area for the next 30 years.
- 1.5. Cost of providing swing space and temporary accommodations needed during renovations to address issues as per the above.

2. Benefits of a new Civic Centre include:

- 2.1. More space efficient, smaller building and lower SF/seat.
- 2.2. Floor plate design and shape optimized for current requirements and future flexibility
- 2.3. More optimal layouts for staff functioning and workflows.
- 2.4. Structural design meets current requirements.
- 2.5. Design that meets current requirements for energy efficiency and environmental impact.
- 2.6. Lower operating and maintenance costs through the life of the building.
- 2.7. Avoiding higher costs due to market volatility and escalation costs if project start is postponed beyond 2019

9. Other Comments: