

Municipality of Chatham-Kent
Infrastructure & Engineering Services

To: Mayor and Members of Council

From: Edward Soldo, General Manager, Infrastructure & Engineering Services

Date: January 2, 2024

Subject: Chatham-Kent Community Hub

Recommendations

It is recommended that:

1. Administration be authorized to proceed with completing the Detailed Concept Design Phase for the Chatham-Kent Community Hub which consists of a combined Civic Centre, Library and Museum at the former Sears building.
2. The contract amendment in the amount of \$166,098.97 (including HST) for Project Management and Development Services of the Chatham-Kent Community Hub, be approved to Nustadia Recreation Inc. and funded from the Building Lifecycle Reserve.
3. Council authorize Administration to hire a contracted Project Manager – Facilities for a period of three years in order to support the design and construction of the Chatham-Kent Community Hub, in the amount of \$396,000, and be funded from the Building Lifecycle Reserve.

Background

On June 28, 2021, Council directed Administration “to prepare a report regarding options for relocation or redevelopment of municipal assets including, but not limited to, the Civic Centre as part of the plans to redevelop the Downtown Chatham Centre property”. Shortly afterwards, Administration issued a survey on behalf of 100 King Street CK Holdings Inc soliciting ideas from the public as to how the DCC site could be redeveloped.

On June 13, 2022, Administration brought a report to Council regarding 100 King Street CK Holdings Inc “Imagine Chatham-Kent” proposal. The Imagine Chatham-Kent proposal has been revised several times based on discussions with 100 King Street CK Holdings Inc and the Municipality’s investigations into whether purchasing part of the DCC property would be feasible, as described in the August 14, 2023, report to Council.

On October 3, 2022, Council approved the consulting award for Nustadia Recreation Inc for Project Management and Development Services to lead further public consultation,

feasibility and business case assessment, and engineering and financial review for the proposed Imagine Chatham-Kent project at the Downtown Chatham Centre.

On October 30, 2023, Council approved the following recommendations in evaluating the public consultation conducted for the Imagine Chatham-Kent proposal:

“That:

1. Administration does not proceed any further with the following options:
 - a. Option 1, Do Nothing/Address Requirements on an As-needed Basis.
 - b. Option 3, Renovate the Existing Civic Centre/Library Expansion/Cultural Centre
 - c. Option 4, Build a New Civic Centre at a New Location
2. Administration report back, as soon as possible, with an action plan and funding source to address the various Life Safety concerns identified in the Building Condition Assessment report for the Civic Centre.
4. Should Council wish to expand the existing level of service by expanding the library and further enhance the Municipality’s cultural assets, then proceed with the further exploration of Option 5, Purchase a Portion of Downtown Chatham Centre and Relocate, subject to the following conditions:
 - a. The terms include a mandatory buy-back provision of the property at the same negotiated sale price by the Investor Group should the Municipality decide not to proceed with a redevelopment for municipal purposes within 18 months from the time of a final transaction; and
 - b. The Investor group guarantee to provide a set amount of parking spaces required for municipal needs at commercially reasonable rates, satisfactory to the Municipality.
5. That the library be granted 35000 square feet in the new facility and the Curator and Chief Librarian be included in the planning phase.”

Subject to Council approval of the report “Purchase of Part of the Downtown Chatham Centre Property from 100 King Street Holdings Inc.” on this agenda, the purpose of this report is to provide an overview of the next steps related to the development of the property.

Comments

The development of an integrated Chatham-Kent Community Hub at the former Sears building that would encompass the consolidation of various municipal services, including the relocation of the Chatham Library, the Museum portion of the Chatham Cultural Centre, and the Civic Centre.

The following is a summary of the current square footage of each facility for reference:

- Civic Centre – 43,500 square feet of administration space, atrium, Council Chambers. Fire Station #1 is an additional 11,500 square feet and there is 5,900 square feet of storage space in the basement, which is below the regulated flood elevation.
- Chatham Library – 22,960 square feet (*35000 square feet in the new facility*)
- Cultural Centre – 18,980 square feet (not including the Kiwanis Theatre)

Total – 85,500 square feet

In terms of available space, the former Sears building currently has approximately 100,000 square feet of space between the two floors. It is not anticipated that 43,500 square feet will be required for administrative purposes as currently exists at the Civic Centre, considering modern office design aspects and other considerations such as hybrid work options. Therefore, there would be ample space to accommodate 35,000 square feet for the new Library as directed by Council.

The October 30, 2023 report to Council acknowledged that there is not sufficient space to accommodate and relocate both the museum and gallery areas of the Chatham Cultural Centre, but there is ample space to consider a new modern museum to alleviate the existing space, including storage, constraints at the Chatham Cultural Centre. There would also be opportunities to consider shared programming flex-space options and the potential to add additional space to the overall footprint at the front of the building along King Street.

Due Diligence

Further to the direction provided on October 30, 2023, Administration has undertaken additional preliminary work including:

Capital Construction Budget Contributory Value – Hanscomb Quantity Surveyors was retained to develop a revised Class “D” for Contributory Value Assessment which determined an estimated savings of \$11,738,340 when utilizing the existing Sears structure.

Condition Assessment of Existing Structure – WSP Canada was retained to review the building structure and building envelope (walls and roofs), reporting on their current condition, and providing recommendations for renewing or repairing these components, noting no evidence of notable structural concerns that could impact the reported renovation plans. In their opinion, assuming normal maintenance of building systems and appropriate engagement of design professionals as part of renovations, the structure of the building can last an additional 50 plus years.

Detailed Concept Design Phase

The next step is to undertake design to produce architectural concept drawings and develop procurement specifications to complete indicative design related materials and products that coincide with concept drawings.

The Detailed Concept Design phase will include floor plans, furniture plans, 3D concept drawings, design briefs for the mechanical, electrical, plumbing and specifications. An updated costing (Class C estimate) for the new concept would also be provided.

Nustadia has retained the services of a proposed sub consultant, Architecttura Inc. Architects, located in Windsor. The firm provides an integrated team of architects, interior designers, civil/structural/mechanical/electrical engineers to complete the concept drawings.

Architecttura has completed various projects including city halls, libraries, museums and office/school buildings including:

- City of Windsor City Hall
- Budimir Public Library
- Optimist Public Library
- Windsor Public Library Main Branch expansion
- Leamington Arts Centre
- John R. Park Homestead Museum
- St. Clair College Applied Health Science Centre
- École élémentaire Sainte-Marie - Chatham
- Chatham-Kent Secondary School
- The HUB – Blenheim
- St. Clair College – Chatham Campus.

Further information regarding Architecttura can be found on their website (<https://www.architecttura-inc.com/>).

The timeline for the Detailed Concept Design phase is approximately 5 months.

Stakeholder Engagement

As part of the Detailed Concept Design Phase, a Stakeholder Engagement exercise is essential and will be undertaken as part of the detailed design development to better define a Functional Space Program (FSP).

The architecture firm, with experience in designing Libraries and Museums, will work with both the Chief Librarian and Museum Curator to define the key objectives and priorities that would go into the development of the concept design. Throughout, the Chief Librarian will work closely with the Chatham-Kent Public Library Board, as will the Museum Curator with the Chatham-Kent Municipal Museums Advisory Committee.

The concept design would be presented to both the Library Board and the Museum Committee for input. A public information centre would also be held to provide the library and arts & culture communities as well as the general public an opportunity to provide input on the proposed concept design.

Construction Drawings, RFP Development, RPT In-Market and Due Diligence Phase

Following the completion of the Detailed Concept Design phase, Administration would report back to Council for approval to proceed. A determination of the type of project delivery for the next phase would be made. As the scope of this phase is undetermined at this time, the consulting costs would be determined at a future date and approved through a report to Council.

Final construction drawings and specifications would be developed (site plans, floor plans, specifications - all disciplines, commissioning plan - details and equipment) and include a Class 'A' cost estimate prior to tendering. The construction drawings would require 4 months to complete.

The prequalification of General Contractors and an RFP for tendering would then be completed. The timeline for the RFP development, tender and due diligence is approximately 9 months.

A more comprehensive timeline is provided in Appendix A.

Internal Staff Resourcing

A facilities project of this magnitude and scope requires dedicated resources. A temporary 3-year contract position for a Project Manager – Facilities is required to manage the design and construction process for the Chatham-Kent Community Hub.


The position would provide effective and efficient project management, oversee all aspects of the project from scoping/planning, design, tender and construction process, and manage the various specialty consultants. The Project Manager would coordinate with internal customer departments, and external stakeholders to ensure a cohesive and successful project delivery.

The cost for the temporary Project Manager – Facilities, is approximately \$132,000 per year (including salary, labour burden, computer/software, cell phone) for three years and would be funded from the Building Lifecycle Reserve. The Project Manager will report to the Director of Engineering.

Council Term Priorities

This report supports the following Council Term Priorities:

Consultation

			
Deliver Excellent Service	Promote Safety & Well-Being	Grow Our Community	Ensure Environmental Sustainability
1 a, 2 d, 5 a	2 a	3 a, 5 a	1 a, 1 b

Various members of administration (Development Services, Legal Services, Financial Services and Community Culture & Connections) have been consulted in the preparation of this report and support the recommendations.

Consultation with the Chief Librarian and Museum Curator regarding project timelines and stakeholder engagement points has also occurred.

Communication

Communication is proposed to be through the inclusion of this report on the Council agenda and related communications.

Further information on the Chatham-Kent Community Hub initiative will be communicated through a variety of channels, including social media, the Let's Talk CK website, the municipal subscription service as well as posting on the municipal website.

Diversity, Equity, Inclusion and Justice (DEIJ)

The construction of a new Chatham-Kent Community Hub that includes a Civic Centre, library and museum will seek to provide equitable access to municipal services and will also allow for the inclusion of standard accessibility requirements that meet existing AODA requirements.

Financial Implications

In August 2022, Council approved up to \$2,000,000 for further due diligence related to Nustadia, external legal costs, appraisals, structural review of the parking garage, Building Condition Assessment for the Civic Centre, condition assessment of existing Sears building and contributory value assessment. To date, approximately \$403,000 has been spent on due diligence work.

Project fees associated with this revised contract with Nustadia Recreation Inc. will be funded as summarized in the following table:

Financial Implications

Contract Amendment – Project Management and Development Service for
Development of Chatham-Kent Community Hub

Description	Total
A) Recommended Costs	
Scope Change #1 – January 2024	\$136,990.24
Contingency	\$10,000.00
Sub-Total	\$146,990.24
Plus HST 13%	\$19,108.73
Total Cost (with HST)	\$166,098.97
Less 11.24% HST	(\$16,521.70)
Total Recommended Costs	\$149,577.27
B) Recommended Funding	
Building Lifecycle Reserve (100%)	\$149,577.27
Total Recommended Funding	\$149,577.27
C) Total Project Cost (including HST) – To date	
Original Contract – October 2022	\$379,900.24
Scope Change #1 – January 2024	\$166,098.97
Total Project Costs	\$545,999.21

In accordance with Purchasing By-law #205-2023 (updated November 27, 2023), Section 156, Council approval is required for the amendment to the contract beyond the approved contract amount.

The total current project costs listed above will be funded from the \$2,000,000 from the Building Lifecycle Reserve for further due diligence that was approved by Council in August of 2022.

Preliminary Financial Plan

A Preliminary Financial Plan with potential funding options is included as Appendix B to this report. It compares the DCC Sears site with the current Civic Centre site to illustrate the marginal cost increase with the DCC site that yields both expanded library and museum space.

Future tender reports will address Council approval for reserve transfers and debenturing a portion of the costs to spread some of the project over a generation. As illustrated in the appendix, the project is expected to be funded under existing budgets approved in the 2024-2027 multi-year Operating Budget without further impacting

taxpayers in the future. With Long Term Financial Planning, this and previous Councils have funded the Asset Management Plan, approved Development Charges, and strategically funded 1% tax equivalent for new buildings. Together, these initiatives have resulted in no further funding from taxpayers required to complete this project at its current \$53 M estimated cost.

Prepared by: Edward Soldo, General Manager, Infrastructure and Engineering Services

Reviewed by: Audrey Ansell, Director, Community Culture & Connections

Reviewed by: Gord Quinton, Chief Financial Officer / Treasurer

Reviewed by: Michael Duben, Chief Administrative Officer

Attachments:

Appendix A – Project Timeline and Workflow

Appendix B – Preliminary Financial Plan