

TO: Mayor J. Lehman and Members of General Committee

FROM: L. Worton, A.Sc.T., Tech, OAAAS
Manager of Facility Planning & Development

NOTED: Rick Pews, P. Eng.
Director of Corporate Facilities

Patti Elliott-Spencer,
General Manager of Community and Corporate Services, Community and Corporate Services

C. Ladd, Chief Administrative Officer

RE: The Proposed Downtown Barrie Permanent Public Market Business Plan

DATE: February 6, 2017

The purpose of this memo is to provide General Committee with the requested information in response to Staff Report FCT001-17 that was submitted to Council on January 23rd, 2017.

As outline in Recommended Motion #2 within Staff Report FCT001-17, \$100,000 was requested to be added to the 2017 Capital Budget to complete a financial and technical validation of the Downtown Barrie Permanent Public Market Business Plan. This amount has been added as an amendment to the 2017 Business Plan for Council's consideration. After General Committee's review of the Staff Report, Staff was asked to provide further information regarding the cost to advance some of the demolition and building modification work in parallel with the financial and technical validation investigation. The following description provides information pertaining to each of the areas of the Transit Terminal which are currently not programmed.

- 1) **Ground Floor:** The ground floor restaurant area formerly occupied by a Burger King Restaurant franchise which has since been vacant for several years. The space still contains the seating, cooking equipment, large refrigeration equipment and general interior finishes of the former restaurant.

1st Floor Space – 24 Maple Ave.

Restaurant (Burger King) = 3,444 sq. ft.

- 2) **Second Floor:** The second floor space formerly occupied several businesses include a dentist office, The City of Barrie's small business centre, and City of Barrie Transit Staff. The space has been vacant for approximately 2-3 years. The areas of the second floor consist of the following:

2nd Floor Space – 24 Maple Ave.

Dentist Space (south)	= 2,767 sq. ft.
PMCL Space (west)	= 1,821 sq. ft.
City Space (east)	= 3,605 sq. ft. (includes main hall)
Barrie Transit (north)	= <u>619 sq. ft.</u>
	= 8,812 sq.ft. total useable sq. footage

Base Building Core	= 1,422 sq. ft.
North Stair	= <u>212 sq. ft.</u>
	= 1,634 sq. ft. additional area

Staff completed a general review of existing conditions of the interior of both the ground floor and second floor areas to ascertain a scope of work that could be completed in advance of the building programming and design, and to also determine an approximate value of the work. The following construction tasks could be completed in parallel with the financial and technical validation investigation for the Permanent Market and Entrepreneurial Sandbox:

Demolition

The removal of all interior finishes, fixtures, walls, flooring and ceilings can be completed in advance of having an approved program or design. Demolition of these items would be necessary in any programming or interior fit up scenario. As with any project, unknowns are common when demolishing or retrofitting an existing building. Completing the demolition ahead of the design will expose all unknown building conditions which will reduce the potential cost extras during the design and construction phases.

Building Services Upgrade

During Staff's review of the Transit Terminal, it was noted that many of the building services have become outdated or are failing. Currently all roof top air handling units that service the second floor are original to the construction of the building and are at the end of their life cycle. These components would require replacement in any programming or interior fit up scenario. The existing fresh air exchange mechanical equipment is in poor condition and is not function properly, thus requiring replacement in the event of tenant occupancy. In addition, the existing hydro service is of a minimal capacity and may require a service upgrade depending on the needs of the occupants. It is feasible to perceive that energy efficient equipment could be installed when replacing the mechanical equipment and during the tenant fit up that would reduce the need for an electrical service upgrade.

Proposed Options

The following are the proposed options for completing building construction in parallel with the financial and technical validation investigation:

Option #1

Demolish all interior finishes within the restaurant area (Former Burger King) of the ground floor, and all interior finishes of the second floor. Demolition would create a clean slate of each of the floor spaces that could then be designed for tenant fit-up. The demolition would extend to the building floor and roof structure and to the exterior walls. Demolition would also include any mechanical and electrical distribution equipment. The cost associated with this work is outlined below.

Transit Terminal Sand Box Demo Only				
	Item	Units	Unit Price	Cost
	1st Floor Demolition			\$134,000.00
	2nd Floor Demolition			\$166,244.00
			Sub-Total	\$300,244.00
	Demo Soft Costs (ie. GC's fees, Staff time, Specs, Contingencies, Permits, etc.)			\$80,761.00
	HST Impact on Budget	1.76%		\$6,705.69
	1st and 2nd Floor Demo's Totals			\$387,710.69

Option #2

Option #2 will consist of the work included in Option #1 and include the replacement of all end of life or failing base building mechanical equipment. The cost associated with this work is outlined below.

Transit Terminal Sand Box Demo and Services Upgrade				
	Item	Units	Unit Price	Cost
	1st Floor Demolition			\$134,000.00
	2nd Floor Demolition			\$166,244.00
			Sub-Total	\$300,244.00
	Demo Soft Costs (ie. GC's fees, Staff time, Specs, Contingencies, Permits, etc.)			\$80,761.00
	HST Impact on Budget	1.76%		\$6,705.69
	1st and 2nd Floor Demo's Totals			\$387,710.69
	Services Upgrade			
	Replace Roof 4 rooftop units	4	\$50,000.00	\$200,000.00
	BAS (optional)	1	\$25,000.00	\$25,000.00
	Electrical and Plumbing Improvements	1	\$25,000.00	\$25,000.00
	Roof Replacement lower level	1	\$40,000.00	\$40,000.00
			Sub-Total	\$290,000.00
	UpgradeSoft Costs (ie. GC's fees, Staff time, Specs, Contingencies, Permits, etc.)			\$63,600.00
	HST Impact on Budget	1.76%		\$6,223.36
	Services Upgrade Totals			\$359,823.36
	Demolition and Services Upgrade Total			\$747,534.05

Option #2 as outlined above should be considered as the best value for additional funding within the 2017 Capital Plan. As identified within this report, demolition of the interior space and upgrading the existing services are necessary in any programming scenario for the vacant space of the Transit Terminal. Completing this work in parallel with the financial and technical validation investigation will greatly expedite the project schedule should General Committee chose to proceed with the Permanent Market Project. In the case that the Permanent Market does not proceed, the building will be outfitted with new and functional equipment and will have been cleared of unusable building materials for a future tenant fit-out. Should council wish to proceed with either of these two options or a variation thereof an amendment to the 2017 Business Plan motion will be required which also identifies an appropriate funding source such as the Tax Capital Reserve.