

23. Re: Municipal Hall Expansion
Health/Social Services Building - Phase 1

The Municipal Manager has reviewed this subject in depth and has had further meetings with the Architect and the staff members of the Staff Committee. The following observations are made:

1. Originally we talked of building a structure with 20,000 feet of useable floor space and the cost was estimated to be \$1,000,000. The Council Municipal Hall Committee recommended that this be modified to include a three-storey structure and the possibility of converting the parking area to office space in the future, if required.
2. We have always talked of a separate structure for Stage 1, and in this respect the present proposal does not vary from the original. The present proposal calls for a building in almost exactly the same location as was envisaged in the initial staff submission. It does not infringe onto the area that was proposed initially by staff for a high-rise building.
3. The main advantage of the separate structures proposed by the consultant is that we can make expenditures on an incremental basis rather than being forced into making one large expenditure which would be required if we went into a high-rise.

In examining the present proposal, it has been determined with respect to the covered parking area that only one-third of the cost of that area is attributable to interior finishes, exterior walls, the sloping site, the beams, the columns, floor system, plaza, bridges and extended parking. In other words, we cannot credit the building with all of the floor area in the covered parking area; we can only credit the building with two-thirds of the floor area or approximately 9,000 square feet. The mechanical room is planned to be in the parking area in any event and this occupies 2,500 square feet alone. To calculate any construction cost on a per square foot basis, we must therefore allow for 12,000 square feet on each of the two floors and 9,000 square feet in the covered parking area, which makes a total of 33,000 "effective" square feet of building. If you divide this "effective" square footage into the cost of the building excluding the plaza, bridges and extended parking, you will arrive at a square footage cost of \$32.21.

4. It is true that if you take a total "project" cost as being \$1,304,000 divided by 24,000 square feet that you will arrive at a unit cost of \$54.00. This is not a true unit cost of construction and is badly distorted for two reasons:
 - (1) The effective area is actually 33,000 square feet and
 - (2) Included in the total project cost are such items as consultants' fees, concept development fees, furnishings allowance, perimeter road and project contingency sum.

In short, the amount of dollars in the numerator of the fraction is too great and you are not dividing by a proper area.

5. The Government Employees building is a finished cost and we are attempting to compare it to an estimated cost. We have not taken into consideration the fact that the tendered cost for the Phase I building could be less than the estimate as was the Government Employees building.

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6. In looking at the unit cost of the Justice Building and elevating them to today's figures, it would appear that that building would cost anywhere between \$33.60 per square foot and \$38.08 per square foot on today's market, excluding the plaza, furnishings, etc. If one takes the "project cost" and divides it by the net area for this particular building, the unit cost goes up an additional \$5.60 per square foot to a minimum today's cost of \$19.23 per square foot. In general terms, therefore, it can be said that the square footage cost of the Municipal Hall Expansion is less than the Justice Building and the Justice Building does not have air conditioning throughout (Justice floor only).
7. The cost over and above the basic contract for the Health/Social Services Building appear to be great on a unit basis simply because we are taking relatively significant costs some of which are unrelated to the building and dividing them by a relatively small area.
8. The existing Municipal Hall was built on the basis of 50 lbs. per square foot floorloading and the deflection can be noticed in all of the stands within the building. In essence, all of the floors are "dipped" and in the hall leading to the Council Chamber one can see a crack along the wall which is caused by this deflection.
9. It is not possible to consider placing the main branch of the Library which is now in Lake City into this building as we are locked in with a 5-year lease with Lake City which is effective June 1, 1971. It is a turn-key lease and the company put \$21,000 worth of improvements into the building to accommodate us as tenants.
10. One alternative that we would have open to us is to relocate the building further to the east and to eliminate the plaza and the covered parking in this area for the time being. Additional parking would have to be provided elsewhere to compensate for this loss but the savings in cost could be approximately \$70,000. The advantages to this alternative are as follows:

- (1) Possible project cost saving today of \$70,000.
- (2) The building is closer to the present Municipal Hall.

The disadvantages to this proposal are as follows:

- (1) It could limit the space available on the site for development to the east and mean that we would get one less building in the area concerned. Possibly the configuration of the buildings could be changed or rearranged but we could end up with a more cramped site.
- (2) We will possibly be faced with a greater expense in the future because, by moving further east, we will have a deeper excavation to face and costs may be greater at that time.
- (3) By moving further east with the building, we would not have the same room to expand to the north without interfering with the trees. This would mean that we would only be able to expand for three 28-foot bays to the north rather than four as the present proposal shows. This will also limit the parking area concerned if we are attempting to have it covered.

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- (4) We eliminate 13 covered car parking stalls at this time and must provide for them elsewhere.

11. We are approximately 3 months behind on our proposed schedule for the construction of the Phase I building and our cost estimates should be adjusted to reflect the change in construction costs. We are not suggesting that the Municipal Council is responsible for this delay, but, in all fairness to the Architect, he did tell us that our costs would go up at the rate of 3/4 of 1% per month for any delays. The building costs should therefore be adjusted by 2 1/2% as of now, which in essence adds \$30,000 more cost to the project.

As for the Willingdon School for Girls, the Social Services Administrator spoke to the Deputy Minister of Rehabilitation and Social Improvement on April 5, 1973 and was informed that the Willingdon School for Girls is to be used this summer for the "Summer Games" personnel and thereafter plans are in the offing for utilization for other Government endeavours. The Deputy Minister stated that the facility would not be available for leasing, purchase or any other Municipal use, and he asked that Mr. Coughlin convey this information to Council. At the time of the discussion, the Minister of Rehabilitation and Social Improvement, The Honourable Norman Levi, was in the office with the Deputy Minister.

In summary then, the Municipal Manager has concluded that:

- (1) The structure that we are proposing is not an expensive one and in fact will cost less per square foot than the Justice Building.
- (2) The structural design and lay-out of the building proposed should not be changed because any changes structurally will only be eaten up with increased maintenance costs in the future. (Our past experience has shown that it is not practical to cut back on quality without being totally aware of exactly what you are doing. For example, we are budgeting for reroofing the Municipal rink this year at a cost of \$33,000.)
- (3) The building could be moved further to the east at a savings to the project cost of about \$70,000 and more than likely a greater cost than this would be spent when we build the next building. The moving of the building would simply mean that we would drop the plaza at this point in time and replace it with more extensive landscaping in this area.
- (4) Not knowing what the future will bring, one has to give serious consideration to the possible cost savings by the building move.

RECOMMENDATIONS:

THAT the Preliminary sketch plans be accepted as presented for the Health/Social Services Building; and

THAT the Architect be authorized to proceed with the preparation of working drawings and specifications for this building.