

Subject: New Fonthill Library Costing Update

Recommendation:

**BE IT RESOLVED THAT Council receive Report # 2022-0281-
Corporate Services – New Fonthill Library Costing Update;**

**AND THAT Council receive the updated costing information for the
proposed new library;**

**AND THAT Council defer the new library project until potential
Provincial funding options (if any) are explored;**

**AND THAT Council direct staff report back with updated estimates on
renovating the existing Fonthill library.**

Background:

In April 2021, Infrastructure Canada issued the Green and Inclusive Community Buildings (GICB) fund. This is a federal government initiative. It is a five-year \$1.5 billion fund which aims to build more community buildings and improve existing ones, particularly in areas with populations experiencing higher needs while also making buildings more efficient, lower carbon, more resilient and higher performing. The grant program supports green and accessible retrofits, repairs and upgrades of existing public community buildings and the construction of new publicly accessible community buildings that serve high-needs, underserved communities across Canada. In June 2021, the Town of Pelham applied for this grant to build a new 18,000 sq ft library at the Meridian Community Centre. The grant request was \$5.4 Million, which was 60% of the project cost.

On June 3, 2022, the Town of Pelham received funding approval in the amount of \$5.4 Million from the GICB fund. This grant requires that the new library be a carbon-zero building.

The Town explored additional funding from Federation of Canadian Municipalities (FCM). The Town submitted a pre-qualification for the FCM Green Municipal Fund which required the building to be a net-zero energy building. This is a combined grant and loan program for up to 80% of eligible costs. The loan is up to \$10 million and the grant is only 15% of the loan. The Town received approval to move to the application stage. The cost to upgrade the current carbon-zero building which is currently approved for the GICB grant to a net-zero energy building is approximately another \$1.8 Million.

The Town has been experiencing very high inflationary costs on its current capital projects; therefore, the Town requested its architects to have their cost consultants prepare an updated cost analysis of the new library before applying for the FCM grant. The FCM grant application would take at least 3 months to do a feasibility study and an Integrated LEED & Energy Consultant would need to be contracted to do it. The cost to prepare this study is quoted at \$30,500. Plus, it would take FCM at least 9 months for the approval process. With the additional time lines and \$1.8 Million cost to construction to build a net-zero energy building, it was determined not to pursue the FCM grant.

Analysis:

At the time of the grant submission the cost for the new library addition was \$9.5 Million. The original plan was to sell the existing library facility to offset the Town's cost.

Green and Inclusive Community Building Grant		
June 2021		
Square Footage	18,000 sq ft	\$/SF
Project Cost:		
Construction base	\$ 7,200,000	
Construction green carbon zero	1,800,000	
Total Construction eligible costs	9,000,000	
Shelving non-eligible	500,000	
Total Project Costs	9,500,000	
Funding:		
GICB Grant (60%)	\$ 5,400,000	
Sale of existing library	2,500,000	
Development Charges revenue & Fundraising	1,600,000	
Total Funding	\$ 9,500,000	\$527.78

In 1.5 years since the GICB was submitted for grant approval the cost of construction has increase by 82% to \$17.3 Million from \$9.5 Million. The additional increase of \$7.8 Million has made the project not cost effective. The Project Architect hired a cost consultant to update the cost of the project. This is a current breakdown of the costing:

Town of				
New Library Costing November 2022				
	Square footage	18,023		
	Project Item		Total	\$/SF
	Building		8,030,448	
	Site Works		444,800	
	FF&E		1,000,000	
			9,475,248	
	General Contractor Conditions & Fees	15.00%	1,421,287	
	Construction Sub-total		10,896,535	
	Contingency Allowance	25.00%	2,724,134	
			13,620,669	
	2023 Escalation	7.50%	1,021,550	
			14,642,219	
	Soft Costs			
Includes design, tendering, green technologies, certifications	Architect & Engineering Design Fees (Including CA)	16.34%	1,780,494	
	Project Management	3.0%	326,896	
	Cash Allowances (IT, AV, Interior Signage, Commissioning, Testing, Security)	2.00%	217,931	
	Geotechnical Investigations & Reports	1.00%	108,965	
	Permits	\$ 1.90	34,244	
	Building Certifications	LS	6,500	
	Soft Costs Sub-total		2,475,030	
	Soft Costs contingency	10%	247,503	
			2,722,533	
	Total		17,364,752	\$ 963.48

Financial Considerations:

The cost per square footage has increased from \$527.78 in June 2021 to \$963.48 in November 2022. The GICB grant now covers 33% of the total eligible costs, which is a decrease from the original submission which covered 60% of the total eligible costs. The Town would have to debt finance an additional \$7.9 million in order to complete this project. The intent of building a new library with grant funding was not to increase debt for the Town. The inflationary increases over 1.5 years from the original costing has now made this project unaffordable to the Town. The only option for the Town to move forward with a new library is if Provincial

funding was available to cover the increase in cost. Currently there is not a provincial grant available for funding this particular type of project.

Alternatives Reviewed:

A practical alternative is to revisit the renovations required in the existing Fonthill Library which includes putting in an elevator/lift to the basement and replacing the shelving units. Both these initiatives are required for AODA compliance by 2025.

The following description of the library renovations as requested by the Library in the 2020 capital request:

"An elevator will be installed on the main floor going to the basement. Staff located in the middle of the main floor where the elevator will go, will be moved to the basement. Shelving and carpeting will need replacing. The middle office where the elevator cuts into will be opened up and made into a makerspace for the public. A kitchenette will be added to the storage room in the Festival Room so that the staff breakroom on the main floor can be repurposed for meeting space. The staff workroom will be renovated to increase accessibility and workflow. The basement will be renovated to change previously unusable work space into staff offices, staff breakroom, and an accessible restroom. Staff located downstairs are working in conditions that are not accessible as per AODA. An elevator must be installed. (deadline completed by 2025).

When an elevator is installed and the basement is renovated, staff can be moved downstairs for repurposed areas that are not usable at this time and public space on the main floor will increase. Renovations for the staff work area on the main floor will be renovated to meet accessibility standards for staff and improve workflow. At this time, the space provided is overcrowded and inaccessible - if we were to have a staff member with accessibility issues we could not accommodate properly within current conditions.

Shelving (original shelving from 1987) must be replaced, as it will not hold up to the move created by the elevator and will be replaced with shelving that is considered accessible and will then meet accreditation standards."

The following description of the library renovations as requested by the Library in the 2022 capital requests:

"Replacement of 218 shelving units at the Fonthill Branch with accessible height, flexible mobile shelving, lights installed on top row.

The shelving units currently at the Fonthill Branch are over 30 years old and cannot be moved at all. Parts of some units are in disrepair. We do not meet accessibility standards for accreditation for a public library as our shelving is too high. Adding in

mobile shelving with lights will increase accessibility and will make our library more dynamic and responsive.”

It is recommended that staff update the cost of a new elevator or lift and the cost of replacing the shelving units. In the 2020 capital budget submission the library had \$505,231 as the cost for the elevator/lift. In the 2022 capital budget submission, the cost of replacing 218 shelving units is \$342,250. This totals \$847,481 in 2020 and 2022 cost estimates.

Strategic Plan Relationship: Build Strong Communities and Cultural Assets

The Fonthill Library plays a key role in providing access to information, education, and lifelong learning opportunities, promoting digital, media, and information literacy skills and carrying our cultural heritage preservation.

Consultation:

Petroff Partnership Architects

Fluent Group Consulting Engineers

Ingersoll & Associates Inc. (cost consultants)

Director Public Works

Other Pertinent Reports/Attachments:

N/A

Prepared and Recommended by:

Teresa Quinlin-Murphy, FCPA, FCA, MBA
Director of Corporate Services & Treasurer

Prepared and Submitted by:

David Cribbs, BA, MA, JD, MPA
Chief Administrative Officer