EXECUTIVE SUMMARY:

This report seeks Council’s approval to enter into a contract with the preferred proponent for the purchase, design and construction of a New Administration Centre to accommodate some of the City’s downtown administrative offices.

This report describes the procurement process undertaken and the essential characteristics of the submissions received. Two proponents that were short-listed responded to the proposal call, with two very different submissions – ABNA Investments Ltd. proposed to renovate a historic Kingston landmark, the former S & R building, and Quay Developments Ltd. proposed to build a contemporary new building. The RFP and the proposals included several items not part of the original project scope and budget, and these are explained along with their associated costs and benefits.

Staff has evaluated the proposals and negotiated with the preferred proponent, ABNA Investments Ltd. The negotiations have specifically addressed cost, energy efficiency and risk management. As well, staff has conducted due diligence with respect to the structural integrity and environmental conditions at the proposed building, and has received a detailed analysis of the cost from a cost consultant. Based on the negotiations and findings of the due diligence, the ABNA proposal as amended meets the needs for the New Administrative Centre and represents good value to the municipality. Although originally built for other purposes, the design of the former S & R building is surprisingly well-suited to the City’s functional requirements. The adaptive reuse of this heritage resource would present a positive image in keeping with Kingston’s cultural, economic and environmental sustainability goals.

RECOMMENDATION:

THAT Council direct the Mayor and Clerk to enter into a contract with ABNA Investments Ltd., in a form satisfactory to the Director of Legal Services, arising from Request for Proposal F31-RCS-2009-1B, City of Kingston New Administrative Centre, for the design, construction and sale to the City of a new administrative complex at 27 Princess Street in the former S & R building at a cost of $15,399,455; and further,

THAT Council approve a capital budget amendment of $4.1 million, increasing the total New Administration Centre budget to $18.9M, with the additional amount being funded by the Municipal Capital Reserve Fund -- Debt.
AUTHORIZING SIGNATURES:

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<thead>
<tr>
<th>ORIGINAL SIGNED BY COMMISSIONER</th>
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<td>Denis Leger, Commissioner, Corporate Services</td>
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<th>ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER</th>
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<td>Gerard Hunt, Chief Administrative Officer</td>
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CONSULTATION WITH THE FOLLOWING COMMISSIONERS:

<table>
<thead>
<tr>
<th>Commissioner</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cynthia Beach, <em>Sustainability &amp; Growth</em></td>
<td>✓</td>
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<tr>
<td>Terry Willing, <em>Community Development Services</em></td>
<td>N/R</td>
</tr>
<tr>
<td>Denis Leger, <em>Corporate Services</em></td>
<td>N/R</td>
</tr>
<tr>
<td>Jim Keech, <em>President and CEO, Utilities Kingston</em></td>
<td>N/R</td>
</tr>
</tbody>
</table>

*(N/R indicates consultation not required)*
OPTIONS/DISCUSSION:

History
In April 2009, Council directed staff to develop and issue a Request for Proposals (RFP) for a design-build project to accommodate the city’s main administrative offices in city-owned space. Council approved an initial budget of $500,000, funded from the municipal capital reserve fund, for consulting fees, in-house project management and contingency allowances to be incurred prior to Council awarding the design-build contract. The capital budget for 2009/2010 includes an additional allocation of $14.8 million for the project.

In July 2009, staff issued a proposal call to prequalify interested developers. The City received four submissions. Two of the proposals were for new buildings on the site of the former police headquarters at 11 Queen Street. Both of these proposals fell significantly short of the requirements for prequalification and accordingly these submissions were not short-listed. The other two proponents were short-listed and were invited to submit proposals based on detailed specifications and program requirements.

Request for Proposals
The RFP was issued in September and closed in November with both proponents responding. The RFP asked developers to offer a property within three blocks of City Hall, and to put together a team to design and build a City-owned New Administration Centre on that property. The submission requirements included drawings showing the exterior appearance of the building, the site plan and the floor plans, along with written design briefs to describe how the proposed building would meet the intent of the detailed specifications and program requirements. As well, the proponents were to submit a lump sum price for the design, construction and sale of the building and land, along with separate prices for insurance, contract security and several additional items that the City might be interested in adding to the project, including future expansion space, public parking and a back-up generator. The RFP had specific requirements to demonstrate compliance with the City’s Enhanced Green Municipal Building Policy and accessibility standards.

Project Scope:
The RFP asked for sufficient space to accommodate all of the departments currently housed in the British Whig Building (BWB), the Facilities Management Division currently located in the basement of City Hall, and the Provincial Offences Act offices and courtroom currently located in the OHIP building on Wellington Street. The governance functions were to remain at City Hall, along with the Payment and Information Centre, Licensing and By-law Enforcement, Taxation and Parking Operations departments.

The proponents were given a detailed functional program for the departments to be accommodated, which showed a net floor area requirement of about 35,000 square feet, to be grossed up by the proponents to allow for circulation space, building losses (wall thicknesses, duct shafts, etc.) and space for washrooms, mechanical and electrical rooms, etc. These factors would typically increase the floor area requirement by 40 to 45%. To allow for future expansion, the RFP also included a requirement for an additional 10,000 square feet to be left unfinished. The City would have the option of renting this space or using it for other City needs until needed for expansion. This additional space was not included in the original project budget.

The RFP also asked for a separate price to provide a back-up generator with the capacity to power the entire building. This would allow the New Administration Centre to remain fully functional in the event of a prolonged power blackout. The cost of this option was not included in the original project budget.

The zoning by-laws do not require parking for this building, and the City does not intend to provide parking space for employees. However, there is an opportunity through this project to obtain some public parking for patrons and employees of downtown businesses. Furthermore, having some parking on site is important for people with disabilities, as well as for the Provincial
Offences court. The RFP asked the proponents to provide options for parking, but did not specify the quantity of spaces. Parking space was not included in the original project budget.

**RFP Submissions:**

The following is a brief description of the two proposals received.

1. **ABNA Investments Ltd.**

   - **Team:** The ABNA Investments Ltd. ("ABNA") team includes H. R. Doornekamp Construction Ltd., Shoalts and Zaback Architects Ltd. and DTZ Barnicke Eastern Ontario Ltd. The team proposes to renovate the former S&R Department Store at 27 Princess Street. The building would be entirely renovated inside, while the exterior would be refurbished.

   - **Floor Area:** The proposal includes 72,500 gross square feet of space on four floors plus 3,500 square feet of basement storage space, for a total of 76,000 gross square feet. This provides 66,000 square feet of usable floor area. An adjacent surface parking lot and basement parking garage provide a total of 34 parking spaces. The total land area is 26,000 square feet. The proposed layout shows 53,000 square feet of space to be occupied by the City, with the remaining 13,000 square feet left unfinished and available for future expansion, other City uses, or other tenants. The future expansion space would require typical tenant fit-up work such as interior partitions, finishes and distribution of mechanical and electrical services to make it ready for use. The City would purchase the entire property.

   - **LEED:** The proponent is committed to meeting the City's Enhanced Municipal Green Building Policy and obtaining LEED Silver certification.

   - **Accessibility:** The project will comply with the Kingston Facility Accessibility Design Standards.

   - **Price:** The base price including land is $14.82 million plus $29,400 for 34 parking spaces, $123,000 for the back-up generator, $115,855 for bonds and warranties, and approximately $100,000 for insurance, for a total purchase price of $15.19M. The base cost per square foot of gross floor area is $195.

   - **Schedule:** The time to completion from the date of contract award is estimated by the proponent to be 13.5 months. The project will require a Heritage Impact Statement, Ontario Heritage Act approval through the Heritage Committee and Council and the issuance of a building permit. Site plan approval and zoning amendments are not needed. As the work is mainly interior, the construction schedule is not weather dependent, and will not be adversely impacted by the Princess Street roadwork.

   - **Security:** The proposal includes the required bonds, contract security, warranties and insurance.

   - **Design:** The existing limestone cladding would remain, and the parging on the west façade would be removed to reveal the original limestone. The mansard roof would be reclad in metal. New windows would be added to the east and west facades, and the remaining windows restored or replaced.

   The existing elevator location and large floor plates (17,000 gross sq. ft.) allow for an efficient office internal circulation pattern and workstation layout. In the proposed layout, the Provincial Offences court and offices would occupy part of the ground floor, along with a reception lobby, while the remainder of the ground floor would be available for lease to retail or office tenants. The second and third floors would be developed as
open office areas and would house most of the administrative space. The existing elliptical staircase would be moved up a level to provide a convenient connection between these two floors. A skylight would be added above the stair, with a light well below into the Provincial Offences Court lobby. The fourth floor would provide additional administrative space, as well as excess space for future expansion and/or lease to office tenants.

The development would provide the City with contemporary open concept office space while maintaining and enhancing the historic exterior.

2. **Quay Developments Ltd.**:

   **Team:** The Quay Developments Ltd. ("Quay") team includes the Arnon Corporation and Ron Engineering Construction (Eastern) Ltd. The team proposes to build a new building on the site of the Gilad parking lot on the corner of Ontario and Brock streets. The site would be severed into three parcels, and the New Administration Centre built on the corner lot.

   **Floor area:** The proposal includes 56,500 gross square feet of space on five floors with one level of underground parking (30 stalls). This provides 53,000 square feet of usable floor area. The total land area on which the building would sit is 17,000 square feet. The proposal provides for 40,000 square feet of space to be finished to the City's specifications, with the remaining 13,000 net square feet of space left available for future expansion, other City needs or other tenants. The future expansion space would require typical tenant fit-up work such as interior partitions, finishes and distribution of mechanical and electrical services to make it ready for use. The City would purchase the entire building and the corner lot on which it is situated.

   **LEED:** The proponent is committed to meeting the City's Enhanced Municipal Green Building Policy and obtaining LEED Silver certification.

   **Accessibility:** The proponent is committed to designing the building to meet the accessibility requirements of the RFP, however this is not demonstrated in the preliminary design drawings submitted.

   **Price:** The base price including land is approximately $22.09 million plus $53,041 for insurance and $465,300 for the back-up generator, for a total purchase price of $22.61M. The required bonding and warranties were not included in the proposal. The cost includes 30 parking spaces. The base cost per square foot of gross floor area is $390.

   **Schedule:** The time to completion from the date of contract award is estimated by the proponent to be 17.5 months. The project will require a site severance approval, site plan approval, and building permit. A Heritage Impact Study will be required for site plan approval. Zoning amendments are not needed. The schedule is weather dependent, since the excavation, concrete structure and building enclosure would need to be complete before most interior work could begin. The building would not be ready for occupancy prior to the expiry of the current BWB lease.

   **Security:** The proponent did not submit the required bid bond or the required 24-month warranty. The submission was unclear on the extent and cost of contract security to be provided. If this proponent were to be selected, additional negotiation would be required.

   **Design:** The exterior would be precast concrete and curtain wall. The precast concrete would be colour-matched and textured to emulate the exterior finish of City Hall. The massing and detailing of the exterior is intended to
complement the design of City Hall. The interior layout includes a core on one side (elevators, stairs and washrooms), with centrally located meeting rooms, and open workspace around the perimeter. The side core and smaller floor plates (10-12,000 gross sq. ft.) do not allow for optimal efficiency in the layout of the internal circulation and workstations.

**Evaluation:**

A multi-stakeholder city staff panel evaluated the proposals as a team, arriving at consensus through discussion. The evaluation was based on weighted criteria including cost, design, accessibility, team qualifications, schedule and site. Both proponents were interviewed. ABNA emerged as the preferred proponent; out of 100 points, ABNA scored 81 and Quay 61.

**ABNA Proposal:**

The ABNA proposal presents a unique opportunity for the City to obtain high quality office space close to City Hall at a much lower cost than new construction. The project will infuse new life into a significant heritage landmark, enhancing and preserving it for future generations. Both the older (1820-40) and newer (1965-67) facades will be upgraded to improve appearance, longevity and energy efficiency, as well as to increase thermal comfort, daylighting and views from within the building. The original colonnade on the Princess Street façade will be restored, and will shelter a ramp leading up to the main entrance. The side parking lot will be landscaped with grass berms and trees around the perimeter, and will offer direct access to the building through a new side entrance. The opportunity to accommodate retail tenants on the ground floor means that this building may once again serve as the cornerstone of a vibrant downtown shopping district.

The interior space layout will continue the open-plan concept in use at the British Whig Building, but will be more efficient due to the larger floor plates. The interconnecting sky-lit elliptical staircase will serve as the communication hub, with meeting rooms clustered around it. Workstations will occupy the perimeter spaces, allowing all occupants access to daylight and views. All building systems will be new, including lighting, heating, ventilation, air-conditioning and controls. As a LEED Silver building, the quality of the interior environment will be designed to promote employee health and productivity.

**Negotiations with Preferred Proponent:**

A negotiating team was formed, led by the Director of Real Estate and Construction Services, with support from Senior Legal Counsel and the Project Manager. Technical assistance was provided by the City’s architectural, engineering, financial and legal consultants. The team developed a negotiation strategy aimed at ensuring good value to the City and identifying and reducing the risks associated with the project.

The original proposals expired on January 31st. ABNA Investments Ltd. extended their offer to April 29, 2010 as requested, and have been able to extend the terms of their purchase offer on the S & R property to April 29th as well. The current owner has advised that no further extensions will be granted, meaning that after April 29th, the proposal will be null and void.

The team held a series of meetings to confirm and finalize various aspects of the technical design submission, including issues related to mechanical and electrical systems, structure, energy efficiency and the strategy for achieving LEED Silver certification. The City engaged the services of compliance architects and engineers who contributed their expertise in this process. The process also included further analysis of the existing building structure, the environmental conditions at the site, and the proposed costs. Each of these subjects is discussed in more detail later in this report.

If the City enters into an agreement with ABNA, ABNA will buy the building and land from the current owner and begin the process of interior demolition, designated substance removal, environmental remediation, detailed design, and application for building permit and heritage approvals. The City will buy the building and land from ABNA part way through the contract, once
the prescribed structural, environmental, regulatory and legal conditions are met. These conditions are intended to protect the City from the unforeseen risks that are sometimes associated with the adaptive reuse of older buildings.

**LEED Strategy**

The proposed strategy for achieving LEED Silver appears to be realistic and achievable. The plan is to certify the entire building, including the City’s space and the space that would be available for lease to other tenants. This will require that the lease agreements include clauses requiring the tenants to meet certain sustainability standards in the fit-up of their space. These additional requirements are in line with current design and construction practices, and are not expected to discourage potential tenants.

The payment structure includes a holdback for costs specifically related to the LEED application. This milestone payment will only be released if and when ABNA achieves LEED Silver certification for the project.

**Structural Assessment**

The City commissioned an independent assessment of the structure of the S & R building to identify areas of concern and establish specific structural performance criteria for the renovations. The assessment found most of the structure to be in good condition, but noted that the older wood frame portion will require detailed assessment during demolition with appropriate remedial measures taken to address any deficiencies and to produce level floor surfaces. It has to be understood that further structural issues may only become apparent after the building is gutted. While the contract sets out detailed reporting requirements and structural conditions to be satisfied before the City buys the property, it is not possible to confirm at this time whether or not there are any structural issues remaining unidentified. The contract would hold ABNA responsible for the cost of any resulting additional structural work required.

Staff recommend increasing the scope of the structural work to include additional strengthening for earthquake resistance, beyond the requirements of the building code and RFP. The current standards for earthquake-resistant design are fairly recent, and were not used in buildings dating from the 1960’s or earlier. For renovation projects, the building code only requires that the existing structural performance level of a building be maintained. Kingston is not in a high risk zone for earthquakes. However, to ensure the safety of building occupants in the unlikely event of a significant earthquake, some additional measures can be added at an approximate cost of $200,000. Staff recommends adding this to the contract as a cash allowance, and has included it in the total recommended budget increase.

**Environmental Conditions**

Environment Division and Legal Services staff has provided criteria, based on standards published by the Provincial Ministry of the Environment, for ensuring the environmental conditions on the property and within the building will be suitable for the City’s intention to use it for municipal operations. The Contract requires that these criteria are met for the completed project and that ABNA will provide the City with an Engineer’s Report verifying that criteria have been met.

Environment Division have also completed an initial phase of due diligence on the subject property in order to identify areas where remediation may need to take place in order to meet the environmental condition criteria referenced by the Contract. As a result these investigations and follow up work completed by ABNA, a requirement to remediate soils and groundwater impacted by historical use of heating fuel oil was identified. ABNA has completed the remediation of these areas and has agreed to supply the City with an Engineer’s Report verifying the success of the remediation to the environmental condition criteria referenced by the Contract.

The Contract also requires ABNA to remove all designated substances (lead-based paint, asbestos, PCB light ballasts, etc.) from within the building.
The contract establishes the City’s right to enter the property at any time to conduct environmental testing to verify any information put forward in Engineer’s reports provided by ABNA and that environmental conditions are satisfactory to the City.

Budget

The budget allocated to this project to date is $14.8M. The following table compares the original budget and scope with the costs for the ABNA and Quay proposals. Note that the Quay proposal is incomplete, since it does not include the bonds and warranties, nor does it include a letter of credit to cover the additional leasing costs that would be incurred if the space were not ready by July 2011.

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<th>Original budget</th>
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<td>Base cost (land, demolition &amp; construction costs &amp; developer’s design and management costs)</td>
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<td>Expansion/rental space</td>
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<td>Included (13,000 sf)</td>
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Notes:

1. Added earthquake resistance and the feasibility study for rooftop solar panels were not part of the original RFP.
2. The City project management cost & contingency budget includes consulting fees, moving costs, staff time, project management costs, communications, furniture and equipment, and City contingency funds.
3. This would be the amount of the ABNA contract. It will be adjusted to allow for the transition to Harmonized Sales Tax.
4. Plus the cost of bonds, warranties and other contract security.

Staff is recommending the ABNA proposal, with a budget amendment of $4.1M.
the developer to find cost-saving solutions that are acceptable to the City, by awarding the developer 50% of any such savings provided they meet certain conditions.

As part of the contract, the developer will apply for several grants on the City’s behalf. These include the High Performance New Construction (HPNC) Program from the Ontario Power Authority (OPA) and various other incentives. At this stage of the process we are unable to estimate the potential grants available. To be conservative, grants are not included in the budget.

Revenue Opportunities:
The S & R building is bigger than what the City needs for the New Administration Centre, even taking into account medium-term growth. The additional space could be rented at market rates, but also has value in providing future expansion space and the flexibility to accommodate other City departments or functions. The intention is to try to rent the space at market value before considering other uses. Since the space planning design work will only be done after contract award, it is impossible to confirm at this time exactly how much rental space will be available; however, portions of the ground and fourth floors are expected to be available for lease.

It would be staff’s intention to immediately begin to look for suitable tenants for the leasable excess space. To ensure that space is available for future expansion when needed, any lease agreement for the fourth floor offices should provide the City with an option to take over the space after an initial 10 year period, and a second option after an additional 5 years. Due to the higher fit-out costs for retail space, ground floor tenants might require a 10 year lease with two 5-year renewal options, so this space might not be available to the City for 20 years. Any lease of excess space would be brought forward to Council for approval.

The parking spaces are another potential revenue source. As with the rental space, revenues from the parking will depend on supply and demand in the neighbourhood and are difficult to predict with accuracy at this time.

Renewable Energy
The RFP did not include any requirements for on-site renewable energy generation. Staff engaged Halsall Associates Limited to do a feasibility study of various options for using the rooftop to generate electricity from solar energy. The study focused on a comparative life cycle cost analysis for three types of photovoltaic panels, taking into account capital cost, annual revenue from the Feed-in-Tariff (FIT) program and annual maintenance. The study showed that the available roof area would support a 34 kW array. The power generated will be fed into the electrical grid however, for illustrative purposes, 34 kW is equivalent to about 6% of the building’s projected electricity consumption. The life cycle cost analysis indicated a capital cost of $225,000 for the panels, annual revenues of $28,000 from the FIT program and annual maintenance costs of $2,250, for a simple payback of 8.7 years. However, the study did not include a structural analysis to assess the extent of additional structural reinforcement, if any, that would be required to support the panels. If significant roof reinforcement is needed, the business case might no longer be favourable. A $10,000 cash allowance is included in the contract for the structural analysis. Once the full costing of structural reinforcement and related work becomes available, staff will present a business case to Council for consideration. If Council then chooses to proceed with the solar panel installation, it would be added to the contract as a change order and the project budget would be increased accordingly. Leasing the rooftop is probably not an option since third party providers typically do not engage in small scale projects.

Energy Efficiency
Preliminary energy simulations for the ABNA proposal show that the building will be 42% to 44% more energy efficient than a building designed to Model National Energy Code for Buildings (MNECB) standards. This meets the target of 42% for new buildings in the City’s Enhanced Municipal Green Building Policy, and exceeds the policy’s target of 33% for major renovations. At this stage of design, the energy simulation is preliminary, and is not a guarantee of the final performance of the building. However, the contract requires that the building comply with the Enhanced Municipal Green Building Policy.
Case studies show that in historic buildings renovated using up-to-date construction practices, the energy consumption will generally be comparable to a typical new building. This is partly due to the massive exterior walls and the relatively low window to wall ratio. There are some limiting factors inherent in historic buildings, such as higher air infiltration through the exterior walls, the need to preserve the integrity of historic limestone walls, and in some cases, the need to preserve original windows. These factors will be addressed in the design.

It is estimated that the energy embodied in the existing building is equivalent to between two and four years of operating costs and associated greenhouse gas emissions. This is a strong environmental argument in favour of the adaptive reuse of a building rather than new construction. Embodied energy is the energy required to manufacture, transport and construct the various components of the building. The other embodied impacts of these processes, such as pollution of air, soil and waterways, are also significant, lending further weight to the argument for adaptive reuse.

Design-Build Contract

The negotiating team has presented ABNA with a form of contract similar but not identical to that used in the building of the K-Rock Centre and INVISTA Centre. At the time of writing this report, the parties have come to agreement on the terms and conditions and are in the process of finalizing the draft contracts.

Unlike previous contracts which the City has entered into, the New Administration Centre contract will include a purchase and sale agreement for the property which ensures that the risks of unforeseen conditions inherent to the renovation of a historic building are borne by the developer rather than the City. Within the design-build contract there are two phases. First, ABNA will obtain ownership of the property and undertake due diligence and demolition to agreed standards. During this period of time, the City will pay progress payments on the demolition. The City will also pay for security on the project, such as bonding and insurance. The City will only take title to the property by entering into an agreement of purchase and sale at the beginning of second phase and before the construction begins.

The City will sign the agreement of purchase and sale subject to the following conditions being met:

- the building has been gutted,
- designated hazardous substances have been removed to the City’s satisfaction,
- the extent of subsurface contamination has been determined and a mitigation plan developed to the City’s satisfaction,
- a thorough structural assessment has been provided along with confirmation that the required structural performance criteria will be met, and
- a building permit has been granted.

If ABNA is unable to satisfy the above conditions, the City can elect to terminate the contract with limited obligations to ABNA. Should the City decide to terminate the contract ABNA would be entitled to retain half of the demolition payments. The demolition costs are approximately $600,000, so the City’s estimated exposure related to this work would be $300,000. The City would receive reimbursement of the unused portion of the insurance, bonding and contract security costs. No other compensation would be payable to ABNA or to the City and ABNA would develop the property otherwise on its own.

The RFP documents and the proposal establish the scope of work and technical requirements. The contract stipulates that ABNA assumes full responsibility for work and costs associated with all known and unforeseen conditions on the site and in the building. As in all cases, the transfer of risk is only successful when the party bearing the risk has sufficient capacity to take it on.
The contract requires the City’s space to be ready for occupancy by July 2011 to allow staff to move out of the British Whig Building before the current lease expires. ABNA will provide a $270,000 letter of credit to cover estimated moving and/or leasing costs that the City would incur if the space were not ready in time. This is equivalent to about seven months rent at the BWB at the 2011 lease renewal rate.

Timing
The negotiations and due diligence process have taken longer than originally expected, delaying the project start and putting the July 2011 completion date in jeopardy. While the developer remains committed to having the City’s space ready for occupancy by that date, there is no longer much contingency time in the schedule to deal with unforeseen delays. Staff will need to develop a contingency plan in case the new space is not ready in time.

Recommendations:
Staff recommend that Council authorize the Mayor and Clerk to enter into an agreement with ABNA Investments Ltd., in a form satisfactory to the Director of Legal Services for the design, construction and sale to the City of a new administrative centre at 27 Princess Street in the former S & R building at a cost of $15,399,455; and further, that Council approve a capital budget amendment of $4.1 million, increasing the total New Administration Centre budget to $18.9M, with the additional amount being funded by the Municipal Capital Reserve Fund -- Debt.

EXISTING POLICY/BY LAW:
The proposed project has been designed to be in compliance with the City’s Municipal Green Building (LEED) Policy.

NOTICE PROVISIONS:
There is no notice provision required for this report.

ACCESSIBILITY CONSIDERATIONS:
The project will be designed and built in conformance with the Kingston Facility Design Standards.

FINANCIAL CONSIDERATIONS:
Council approved a capital budget for 2009/2010 for the design and construction of the New Administration Centre in the amount of $14.8M, of which $2.8M would be financed pay-as-you-go from the Municipal Capital Reserve Fund and $12M would be financed through the issuance of debt. The proposed budget increase of $4.1M would also be financed by debt. The savings in operating costs from the leases at the British Whig Building and the Provincial Offences space will finance approximately $7M worth of the anticipated debt. The additional space and parking, if leased, would finance a portion of the debt. The balance of the debt payments will be provided from the municipal capital reserve fund and will not have an incremental impact on taxation.

CONTACTS:
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Debra Krakow, Project Manager, Real Estate & Construction Services  613-546-4291 ext. 3120
Alan McLeod, Senior Legal Counsel  613-546-4291 ext. 1237
OTHER CITY OF KINGSTON STAFF CONSULTED:

Denis Leger, Commissioner, Corporate Services  
Cynthia Beach, Commissioner, Sustainability and Growth  
Paul MacLatchy, Director of Strategy, Environment and Communications  
Alan McLeod, Senior Legal Counsel  
Stephen Dickey, Deputy Treasurer

EXHIBITS ATTACHED:

Exhibit A: ABNA Proposal – Two Exterior Views