

HALDIMAND COUNTY

Report CDS-05-2023 Hagersville Library and Active Living Centre – Updated Design and Budget



For Consideration by Council on June 26, 2023

OBJECTIVE:

To overview an updated functional floor plan and development concept, along with revised cost estimates, for the Hagersville Library and Active Living Centre project and obtain Council's direction to proceed to detailed design and construction tender in line with the updated proposal.

RECOMMENDATIONS:

1. THAT Report CDS-05-2023 Hagersville Library and Active Living Centre – Updated Design and Budget, be received;
2. AND THAT staff be directed to proceed with detailed facility design, site plan and construction tender processes in line with the updated functional floor plan concept included as Attachment 3 to Report CDS-05-2023;
3. AND THAT, once the revised cost estimates have been finalized, staff be directed to bring the applicable budget amendment to Council for approval.

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Approved: Cathy Case, Interim Chief Administrative Officer

EXECUTIVE SUMMARY:

The 2021 Capital Budget included an initiative to construct the Hagersville Library and Active Living Centre with a construction budget of approximately \$10.4 million, which is currently scheduled for 2024. A project architect – CGS Architects Inc. – was retained in February 2023 and has been working with a staff project team, stakeholder groups and the general public to refine the development concept that was originally produced in 2019. This work has resulted in an updated development concept and functional floor plan that will better respond to the needs of a growing population and allow for maximum flexibility, accessibility, programming opportunities and community use. The updated plan is approximately 402 sq m (4,329 sq ft) larger in size (when compared to the 2019 plan) and is estimated to require an additional \$4.6 million in funding (when compared to the 2021 Capital Budget Forecast) for construction of the facility, bringing total project cost to approximately \$15 million. The additional funding requirement is attributed to both construction cost increases and the additional facility size. Staff is recommending the updated plan be supported and that Council direct staff to initiate detailed design, site plan and tender work associated with the project.

BACKGROUND:

In 2021, as part of the County's planned replacement of the Hagersville Public Library—and in recognition of the need for more accessible public spaces, given the County's considerable planned growth—Council approved an initiative in the Tax-Supported Capital Budget to construct a co-located Library and Active Living Centre in Hagersville. The new, integrated Hagersville Library and Active Living Centre (HL+ALC) will be located in Hagersville's Grant Kett Park, a large, downtown green space which already includes the arena, three ball diamonds, a concession building, playground and a natural amphitheatre used for community events. The concept that was considered as part of 2021 approval was produced in 2019 as part of a grant application (which was not successful) and is included as Attachment 2.

The new HL+ALC facility will take a holistic approach to the physical and emotional well-being of residents and visitors through activity and mental, spiritual, cultural and social engagement and will include:

- A Library with various program and specialty spaces;
- Arts and culture exhibit areas;
- Programming, education and meeting spaces of varying sizes;
- A commercial kitchen;
- Activity spaces for youth/children/seniors; and
- An attached outdoor pavilion space and washroom facilities that will serve the building and users of the surrounding park amenities.

As part of the aforementioned 2021 Capital Budget approval, staff were authorized to initiate a community capital fund-raising campaign and proceed with community consultations and associated activities to support the construction of this new multi-purpose facility. The fund-raising efforts (detailed in the Financial / Legal Implications section below) are in full swing, while a variety of community and stakeholder consultations have taken place over the last several years.

In February 2023, the design contract for the project was awarded to the firm of Curran, Gacesa, Slote Architects Inc. (CGS). Since that time, CGS and a staff project team have completed more in-depth needs analyses, functional assessments, design reviews (including site visits to other facilities), stakeholder needs meetings and broader public consultation. All of these efforts have led to refinements to the original concept that was developed in 2019.

The purpose of this report is to:

- Introduce the new development concept and functional floor plan, including an overview of key changes and rationale for same;
- Overview the impacts of the concept changes and industry budgetary pressures in relation to project cost estimates;
- Obtain Council direction to proceed to detailed design, site plan and construction tender based upon the updated plan, with an understanding of the increased budget implications. Of note, this report is not seeking a formal budget amendment or approval at this time as a final cost will not be known until the completion of the construction tender process. The final budget will be presented, once known, as a separate staff report or as part of the 2024 Capital Budget.

ANALYSIS:

Evolving Concept

The CAO memo ([CAO-M02-2021](#)) that introduced the HL+ALC project for inclusion in the 2021 Capital Budget made clear that the concept, size and functions were preliminary and that prior to construction further community consultation, needs analysis and design work, and construction costing were required. As noted in the Background section, staff and the project architect have completed more in-depth analyses and reviews regarding optimal functionality, facility operations, community / stakeholder needs, etc. And, that work has led to a number of significant revisions to the 2019 concept.

The initial concept and floor plan (2019), included as Attachment 2, represented a total floor area of 1,256 sq m (13,522 sq ft). The revised concept, included as Attachment 3, represents a total floor area of 1,658 sq m (17,851 sq ft), an increase of 402 sq m (4,329 sq ft). The majority of the increase in the overall floor area can be attributed to following key changes:

- Lobby: the lobby area has been re-designed into an atrium and made to be more regular (rectangular) in shape. This space would function similar to the lobby at HCAB (albeit smaller in size) and would provide a community social gathering function, area for service desk, heritage / community displays, café kiosk, and programming opportunities. The increase in size – from the original concept – is approximately 37 sq m (400 sq ft).
- Active Living Centre (gymnasium/hall section): this part of the facility has been increased in size to accommodate a full (high school standard) basketball court as well as additional ‘run-off’ area along the edges of the playing courts to ensure user safety and functionality. The increased size would allow for the accommodation of league play (e.g. basketball, volleyball), allows for a wide variety of other programming opportunities, and could accommodate larger private / community events (weddings, tradeshows, etc.) with seating capacity of +/-300 persons. The increase in size – from the original concept - is approximately 83 sq m (890 sq ft). It should be noted that this part of the facility (including auxiliary spaces – washrooms, kitchen, storage) has been re-oriented 90 degrees which allows for a better ‘fit’ within the landscape and the opportunity to maximize views out of the north side of the facility to the green space and amphitheatre located in that direction.
- Washrooms: the full suite of washrooms has been adjusted to align with the overall facility size and functions and to accommodate barrier-free entries (i.e. no doors / alternating walls). The increase in size – from the original concept – is approximately 11 sq m (120 sq ft).
- Staff Office Area: this new addition is in response to anticipated future programming and rental-related tasks as well as facility operational needs. This space is laid out similar to how other County recreational facilities are set up (e.g. arenas). The new space is approximately 20 sq m (220 sq ft).
- Addition of Multi-Purpose Room: This space represents an adjustment from the original (2019) design concept, which envisioned the larger Active Living Centre (ALC) being able to be divided into two rooms with a mobile room divider for programs/meetings. Following consultation with local community groups (Lions, Chamber of Commerce, Haldimand Abilities Centre) and other community stakeholders/residents interested in smaller program/meeting rooms - as well as consultation with the architect about the cost and functionality of a mobile room divider - it was decided to move to a separate Multi-Purpose Room. The room would serve to accommodate many of the smaller group rentals and programs (<50 persons) that the former Hagersville Community Centre hosted, such as art / craft clubs, training sessions, yoga, tai chi, sewing, quilting, team/organization meetings, etc. Prior to its sale, the community centre would host over 250 rentals a year, most of which fell into the above smaller group rental categories. This new

room is a revenue generating space for the County from the various rentals that would take place. The new room, including storage closet area, is approximately 94 sq m (1,015 sq ft).

- OPP community office: the County currently provides space for the OPP in the form of a small community office at the former Hagersville Satellite Office. Although providing the OPP with a community office is not a contractual requirement, it is important to maintain this type of space for OPP use, knowing that the HSO is intended to be sold in the future, to allow for adequate police presence within the community. The proposed office is a touch-down area where officers can complete reporting requirements related to calls, etc. rather than having to return to the Cayuga Detachment Office to complete this work, which would result in less community presence. The provision of such space is ultimately a decision of the municipality and is also at the full cost of the municipality. The new space is approximately 37 sq m (400 sq ft). Since the OPP will be utilizing this space on a 24/7 basis, it needs to be a self-sufficient area including washrooms and a small kitchenette which is why this office space is larger than the staff office area in the main facility.
- Other: floor area changes have been made to the remaining spaces throughout the facility (e.g. storage rooms, mechanical room, various library rooms, coat room, bar area, etc.) but they are relatively minor compared to those listed above. The aggregate of those changes represents an increase in size of approximately 119 sq m (1,284 sq ft).

All of the space size changes that have been made share a common objective, which is to maximize functionality, flexibility and accessibility for all community users and staff that will work at / operate the facility, taking into consideration future growth in Hagersville.

Staff note that the project will also include the new build of a full pavilion, concession stand and washroom facilities to be located adjacent to (northwest of) the HL+ALC facility. This new build will service the entire recreational complex, in particular outdoor activities. The stand-alone building represents planned replacements of existing facilities in the larger Grant Kett Park and is being funded from an existing approved Capital Budget project. The projects are currently identified in 2025 / 2026 which will need to be adjusted (accelerated) as part of next year's budget process to align with the HC+ALC project. While it is proposed to be built under the umbrella of the HL+ALC project, it does not influence the HL+ALC budget.

Evolving Budget

The current approved HL+ALC budget is \$10.4 million. That budget amount is based on the 2019 concept plan and construction costs that were the 'norm' in 2021 when the project was included and approved in the Capital Budget. The project budget will need to be increased to address two main drivers:

- the on-going and relatively rapid rise in costs of goods and materials; and
- the increased floor plan area presented in this report

The combination of these two factors would lead to an estimated project budget increase of \$4.6 million from the current \$10.4 million. The new 'all in' cost is estimated to be \$15 million which represents all aspects of the project – i.e. design, building construction, site works/servicing, site plan process, archaeological assessment, furnishings, etc. This updated cost estimate has been produced by the project architect (CGS) based on a review of current industry standards, similar recent builds, and updated material costs.

The first driver noted above – rise of costs – is outside of the control of staff. If the 2021 concept (Attachment 2) were to remain, this driver alone would result in an increase of approximately \$2.0 million to the project. This is predicated on an increase in the building cost to \$700 per square foot (current market estimate). The \$700 per square foot cost would also be applicable to the additional

square footage that is proposed in the updated concept (Attachment 3) and discussed in the paragraph below. That additional square footage would account for the balance of the increased cost which amounts to approximately \$2.6 million.

With respect to the increased floor area associated with the updated concept (the second budget driver noted above), it is acknowledged that this is within the control of the County. Staff have overviewed the facility space changes and the key rationale for those changes earlier in this report. It is staff's recommendation that the updated floor plan is the best option moving forward to ensure that community needs are met, maximum flexibility / operability is achieved, and the facility is 'future-proofed' to respond to a growing population in Hagersville and areas beyond. This has been the overwhelming sentiment coming out of the public and stakeholder consultation as well. However, if Council is concerned about the increase to the project budget and wishes for some changes to be made to reduce the scale and cost of the facility, now would be the time to direct staff to do so prior to advancing to detailed design. While staff do not recommend going this route for the reasons explained in this report, the following represent some potential cost saving options balanced with the implications of each:

- eliminate the OPP community office
 - Option: eliminating the space could result in a savings of approximately \$230,000 to \$280,000.
 - Implication: given the County's desire and commitment to have a community policing office in Hagersville, complete elimination of space is not a realistic option. If the office were not to be accommodated as part of the HL+ALC project, a different space within the community would need to be secured upon the sale of the former Hagersville Satellite Office, which is where the policing office is currently housed. This effectively just moves the costs to another project or initiative so actual savings (although noted above relative to construction) are difficult to estimate.
- reduce the size of the Active Living Centre (gymnasium/hall)
 - Option: a 30% space size reduction (which would move from 3 to 2 pickleball courts and full to half court basketball) could result in a savings of approximately \$800,000 to \$1,000,000.
 - Implication: reducing the size, depending on extent, could limit certain programming opportunities (e.g. basketball league) and provide less space for various in-demand spaces (e.g. pickleball courts). Also, a less desirable/flexible/accommodating space could impact on usership and rental revenue.
- reduce the size of the lobby (atrium)
 - Option: a 30% space reduction could result in a savings of approximately \$400,000 to \$500,000.
 - Implication: reducing the size would restrict or eliminate certain programming opportunities, minimize social spaces / benefits and result in a more utilitarian function for the space between the Library and ALC.
- reduce the size of or remove the new multi-purpose room
 - Option: a 30% space reduction could result in savings of approximately \$100,000 to \$200,000, while the elimination of the space could result in savings of approximately \$500,000 to \$700,000.
 - Implication: reducing the size would result in this room no longer being a usable space for various groups (e.g. Lions, Haldimand Abilities Centre) and limit programming options, while removing the space altogether would leave most community groups without a suitable meeting area and would eliminate a variety of programming opportunities. Removing or downsizing the space would also result in the elimination or reduction of revenue generation opportunities respectively.

Next Steps

If Council supports the staff recommendations contained in this report, the next steps will consist of:

- advancing into detailed design, site plan, servicing design – timing: immediately
- development and release of the construction tender – timing: early 2024
- finalizing project budget in connection with the tender process – timing: early 2024
- initiate site works and facility construction – timing: early 2024
- construction completion – timing: TBD, but no earlier than mid-2025.

FINANCIAL/LEGAL IMPLICATIONS:

As mentioned earlier in this report, there is no formal capital budget amendment or approval being requested at this time. The project is being funded through a combination of Development Charges, community fund-raising and debt financing. The implications of the increased project scale and budget for each of these is described in further detail below.

Given the funding sources currently identified for this project, an increase to the combined Hagersville Library & Active Living Centre capital budgets can only be funded by way of issuing additional debentures, including debentures for Development Charge eligible costs. If the project is to proceed with the initial scope, an increase of \$2.0 million is required based on cost per square foot. Staff are recommending additional changes to the scope of this project in the amount of \$2.6 million, bringing the total proposed increase to \$4.6 million. Of this \$4.6 million, it is estimated that the share related to the Library is \$750,000, while the Active Living Centre share would be \$3.85 million. Based on the ratio of DC eligible costs, an estimated \$4.0 million would be funded from Development Charge related debentures, and the remaining \$600,000 would be funded from debentures.

The Ministry of Municipal Affairs and Housing regulates the level of debt that may be incurred by municipalities - no more than 25% of total own purpose revenue can be used to service debt and other long-term obligations. It should be noted that, despite the limits imposed by the Province, a prudent municipality would not consider a debt burden to this level. As a result, Haldimand County's Capital Financing Principles sets an internal target of a 10% annual debt repayment maximum. As of the approval of the 2023 Tax-Supported Capital Budget, this principle was maintained. However, a recent council-approved increase to the capital budget of the Caledonia EMS & Fire Station project has further increased our future level of debentures to be issued. That increase, in combination with this estimated increase as presented, would put us over this target in 2026, at approximately 15%. While this is still under the provincial level, it would be in violation of our principles.

The community fund-raising efforts have (to date) resulted in \$1.5 million being secured in cash donations and pledges, primarily from a small number of major donors. The County's past practice has been to not accept pledges and ensure that all donations are "in-hand" prior to starting construction. The County is in receipt of one large pledge from a significant developer in the Community that includes 5 equal payments over the next 5 years totaling \$600,000. Staff developed a pledge agreement with the donor to clarify the payment terms and limit the County's exposure in the event the pledge is not honoured. Once all pledged donations are fully received, the community's total required contribution for the project will have been met. The community's total commitment was established at an upset limit of \$1.5 million. Despite the recommended updated concept and associated costs, if this is approved by Council, the upset limit would not change as this is consistent with the level of community fundraising associated with this type of development in the past. Despite that, the fund-raising committee has set an internal goal of \$2.0 million as its more localized community-focused campaign begins to ramp up.

Staff will request a formal amendment to the capital budget, either by way of a separate report, or as part of the 2024 Tax-Supported Capital Budget itself. Should Council agree to implement any of the potential cost saving options, the amount of the amendment will decrease accordingly.

It is also noted that the Community Development & Partnerships Division will be assessing programming and operational requirements for the facility over the course of 2023 with an aim to developing a plan for Council's consideration in 2024 and which would then be included as part of the 2025 operating budget. As a precursor, it is anticipated that additional staff resources will be required to ensure proper usage and maintenance of the new facility, though specific cost estimates are not known as this time.

STAKEHOLDER IMPACTS:

Staff have met with various stakeholder groups, including the Lions and Chamber of Commerce, with respect to both the original concept and the updated version. The updated design responds to the main needs of these organizations as raised through on-going consultation. Work will continue with both groups as the project moves into detailed design.

The architect and County staff project team have met with staff from Six Nations of the Grand River and Mississaugas of the Credit First Nation to introduce the project and obtain preliminary feedback. Both First Nations are supportive of the project and appreciate the immense benefits of this type of facility for the wider community. Consultation will continue with both First Nations as the project moves into detailed design.

Two public information centres (PICs) were held on May 17, 2023 with approximately 40 members of the public attending. The updated concept (Attachment 3) was presented at the PICs and was overwhelmingly supported by those in attendance. A significant number of attendees commented on the improved facility design and improved use/layout/provision of space that exists within the updated concept.

REPORT IMPACTS:

Agreement: No

By-law: No

Budget Amendment: No

Policy: No

REFERENCES:

1. [CAO-M02-2021 Hagersville Library and Active Living Centre](#)

ATTACHMENTS:

1. Site Plan
2. Original Functional Floor Plan
3. Updated Functional Floor Plan