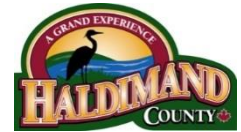

HALDIMAND COUNTY

Report PED-GM-04-2017 Haldimand County Central Administration Building – Proposed Building Design



For Consideration by Committee of the Whole on August 21, 2017

OBJECTIVE:

To obtain Council approval of a proposed building design, the associated project budget and related matters to be able to proceed with the detailed architectural/engineering design and tender for construction.

RECOMMENDATIONS:

1. THAT Report PED-GM-04-2017 Haldimand County Central Administration Building – Proposed Building Design be received;
2. AND THAT the proposed Central Administration Building design as set out in Attachment 1 (A – H) to Report PED-GM-04-2017, dated August 14, 2017 and prepared by Thier+Curran Architects Inc., be approved and used as the basis of final design and tender issuance;
3. AND THAT the revised budget as set out in Report PED-GM-04-2017 be approved;
4. AND THAT funding of the Central Administration Building be provided through the issuance of debentures, for a repayment term not to exceed 20 years, and in an amount not to exceed \$19,500,000;
5. AND THAT the Treasurer certifies that the issuance of debentures for this project will not cause Haldimand County to exceed its annual debt repayment limit;
6. AND THAT, based on the parameters outlined in Report PED-GM-04-2017, a lease agreement be entered into with the Grand Erie Business Centre for the use of a portion of the Central Administration Building, with terms and conditions as set out in Attachment 2;
7. AND THAT the Mayor and Clerk be authorized to sign all necessary documents and a by-law be passed, if required, to enact the lease;
8. AND THAT the Information Systems' Mobile Technology strategy, as set out in Report PED-GM-04-2017, be approved in principle, with the impacts reflected as a Council approved initiative in the 2018 Budget;
9. AND THAT the furniture strategy for the new administration building, as set out in Report PED-GM-04-2017, be approved in principle with the impacts reflected as a Council approved initiative in the 2018 Budgets.

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Respectfully submitted: Craig Manley, MCIP, RPP, General Manager of Planning and Economic Development

Approved: Donald G. Boyle, Chief Administrative Officer

EXECUTIVE SUMMARY:

The Central Administration Project is an evolution of comprehensive work that began in 2015 in response to Council's identified Term of Council priorities. Since its inception, the project has involved widespread consultation, extensive research and the presentation of various long-term accommodation options based on an approved set of decision principles. These significant efforts culminated in a Council decision to consolidate municipal administrative accommodations for Haldimand County into one central location in Cayuga, with the intent of improving customer service, creating operational efficiencies, ensuring long-term cost effectiveness, enhancing the professional work environment and providing flexibility to respond to change over time. The proposed design of the new County Administration Building has succeeded in meeting these key decision principles and will, for many years, positively contribute to the adopted Way of Work Standards while advancing the County's Strategic Principles.

The proposed design is reflective of a variety of inputs including site visits, Council comments, staff engagement and opportunities that became apparent during the detailed design process to build for the future now, by incorporating flexible space. The design addresses Council feedback not to under-build, to meet our administration requirements and eliminate the need for future building expansion. The proposed design takes advantage of the broadened first floor layout, the second floor layout required to consolidate development services and business functions, and site grades allowing a portion of the basement to obtain natural light and thus be available for work space in the future. The current design includes an opportunity to accommodate 41 additional work spaces (23% future growth) consisting of 22 workstation expansion spaces on the upper three floors (after the conversion of the large collaboration space on the third floor) plus 19 workstation expansion spaces in the basement (with the conversion of the multi-purpose room).

Other opportunities that arose during the design process included the use of heat pump technology for the Heating, Ventilation and Air Conditioning (HVAC) systems and the expansion of basement space for storage, a mud room and showers for field workers, sick room and a production room. These functional needs were not part of the original feasibility study completed in 2016 by Invizij Architects. While the original feasibility study did include a 5,600 sq. ft. two-storey expansion (2 floors at 2,800 sq. ft.) west of the initial build that would accommodate approximately 35 staff at a cost of \$1.7M dollars (today's dollars), staff believe that it makes sense from an economical and practical perspective to construct this flexible footprint which accommodates future space into the original building now to take advantage of current financing opportunities and to avoid service disruptions with the future addition. The space will be used for functional purposes in the interim, but will be designed to be easily converted when required. Staff are confident a future addition will not be required due to the flexibility of the current design, however a three-storey 11,700 sq. ft. addition (3 floors at 3,700 sq. ft.) could be constructed east of the proposed footprint should the need ever arise in the future.

After incorporating value engineering recommendations (net reduction of \$290,000) this revised scope increases the project by approximately \$3.3M from \$16.2M (identified in the 2016 feasibility study) to \$19.5M. The refined project scope will translate into a high quality building reflective of Council's vision and desire for future expansion built-in, and will promote staff collaboration/efficiencies that will result in an improved level of service for the public.

BACKGROUND:

During 2015, Council initiated a Phase 1 Administrative Accommodation Review Process to identify the long term space needs of the County and to evaluate a series of options in terms of how the required space could be provided in relation to the financial and service delivery efficiency implications of each option. Following this work in 2016, Council adopted a series of recommendations that effectively set

in motion a process to develop a new Central Administration Building in Cayuga to be located at the existing County owned property housing the Cayuga Arena. In late 2016 following a competitive bid process, Project Architects - Thier+Curran Architects Inc. were retained to design the proposed building with the intent that the project would be constructed during 2018/19 for occupancy in fall 2019.

Throughout 2017, substantive work has been undertaken to develop the key design principles, necessary space program, create floor plans and ultimately the proposed building design and refined project budget for Council approval. As part of this work, a staff engagement process was initiated to ensure the new building achieves and incorporates key elements that foster workplace efficiency and good staff morale to promote a culture of staff collaboration.

The project is at a key milestone (Functional Design) and the purpose of this report is to present to Council and seek its approval of the project building design, refined project scope, project budget and related operational considerations.

The current plans will be representative of the final design, however minor changes are expected as part of the detailed design process. A summary of key milestones and timing moving forward for the new administration building are as follows:

Key Milestone	Timing
Contractor Prequalification	November 2017
Prepare Construction & Tender Documents	August 2017 to January 2018
Construction Tender Period	February 2018
Site Plan and Building Permit Approval	February 2018
Construction Tender Award	March 2018
Construction	April 2018 to August 2019
Occupancy/Scheduled Move In	Fall 2019

ANALYSIS:

Building Design

(A) The Design Principles:

The following key design principles were derived to help guide the building design process:

Promoting Positive Customer Service/Experience:

- Three distinct customer service areas that support short term exchanges, Provincial Offences Court exchanges and longer term business/development functions;
- Displays, public communication technology and public access computers/Wi-Fi achieves the ability for customers to obtain or provide information easily;
- Public seating, adequate signage and natural light provide a comfortable and inviting environment for customers;
- Full accessibility and *Accessibility for Ontarians Disabilities Act* (AODA) compliance;
- Customer ease of interaction at a single point of contact eliminates the need for multiple visits to different offices throughout the County when seeking development services;

- The provision of timely and accurate information to customers in an overall consolidated facility.

Supporting the Desired Work Culture:

- The floor plan to be based on optimal co-adjacencies to promote collaboration rather than on a departmental basis;
- Management to be distributed amongst staff versus a management cluster to promote interaction and communication;
- Ensure the building is designed with technology that promotes communication, collaboration and security;
- CAO and Mayor functions to be co-located to promote communication and coordination.

Creating an Efficient and Positive Work Environment:

- Flexible work space in terms of ability to reconfigure to meet future needs and in terms of allowing mobile work locations in the building through the use of wireless technology and modular furniture systems;
- Designed to incorporate long term future expansion needs;
- Smaller individual work space balanced by natural light, efficient work space, collaborative space, amenities (stand up tables, lunch rooms, informal meeting space, greenspace and wellness facilities);
- Adequate and varied sized meeting rooms and a large multi-purpose room off the main lobby to accommodate a variety of needs;
- Key functional requirements such as adequate storage, loading areas, printing requirements, facilities for 'in-field' staff (separate entrance, de-contamination showers and lockers);
- Amenities and features that support Council functions (adequately sized committee room, washrooms and work stations).

Corporate Image/Local Governance:

- Appropriately sized Council Chambers that can also function as Provincial Offences Act Court and can be expanded to accommodate overflow crowds;
- Council Chambers to be the focal point of the building design - directly accessible from main floor lobby with two storey design to reflect the importance of Council function;
- Inclusion of technology that supports Council/Court functions;
- A good quality pragmatic building which uses materials and includes features reflective of Haldimand County values and traditions.

Environmental Responsibility:

Building to be designed to LEED Silver Standard and will include a number of sustainable and energy efficient design features including:

- Stormwater quality and quantity control via the existing on-site stormwater management facility, as well as retention of roof water in planters;
- Efficient domestic water use through low-flow toilets and plumbing fixtures;
- A highly efficient building envelope via continuous insulation layers;
- Vestibules to limit heat loss each time doors open;
- Minimal landscape irrigation requirements with native, drought resistant plantings;
- Energy efficient heat pump type HVAC system to provide excellent localized control and responsiveness;

- Extensive natural light and views, reducing reliance on artificial lighting;
- Solar control through overhangs, blinds, trees and trellis;
- Water heating with localized instantaneous hot water heaters to avoid water storage;
- Daylighting controls and occupant sensors to minimize artificial lighting use;
- Natural ventilation throughout the building through operable windows.

(B) The Design Process:

In order to derive the recommended building design, the following steps were undertaken:

1. Six (6) site visits were undertaken to comparable, recently constructed/renovated buildings including three municipal administrative buildings, a public health unit administration centre and two private sector facilities to generate ideas. Participants included the project team and Council members.
2. Multiple consultation sessions were held involving the architectural consultant, division staff and Managers to discuss and ensure an understanding of overall divisional needs and requirements related to the design and functionality of the new facility.
3. A Visual Preference Survey was initiated to get ranked feedback from Staff and Council on key design elements that would be desirable to include in the new building.
4. A series of design principles were developed in terms of what the building should achieve in terms of functionality and impact on workplace culture. These are outlined in the next section of the report.
5. The space program was developed to refine how much work space and support space was required and to ensure that key work groups that need to collaborate with one another are co-located. This space program was subsequently vetted with County management staff to ensure accuracy and was refined based on the feedback obtained.
6. The space program was translated into floor plans in order to derive the building size and footprint necessary for functionality. The floor plans were reviewed with key stakeholders including members of Council and further refined.
7. Once the functional floor plans were completed, the exterior design of the building was developed and building costing was undertaken.

(C) Results of Staff Engagement Process:

During 2017, approximately 200 Staff (132 from staff whose primary location will be the new building, and 68 from staff whose primary location will not be the new building) were engaged using a visual preference survey in terms of prioritizing key features or amenities that were seen as important to creating an effective and positive workplace. Staff identified the following:

- Natural light and the ability to have windows that open for natural ventilation;
- Staff only washrooms;
- Secure separation between the public and staff;
- Main floor lunchroom with a variety of seating options and outdoor eating areas;
- High ceiling lobby space and circulation space;
- Variety of collaborative space – informal seating, worktable spaces;
- Stone, wood and glass exterior materials.

(D) Proposed Building Design:

Attachment 1 (A – H) provides the floor plan layouts and the exterior elevations of the proposed building. The proposed building is 42,900 sq. ft. in size (plus the basement area at 11,400 sq. ft.), 3 storeys in height, accommodating 176 workstations initially and providing the ability for future growth (41 future spaces). Staff are of the opinion that the building design addresses all of the key design principles, as well as the results of the staff engagement feedback. Some of the key design elements of the proposed building include:

Site Design

- The 9m (30 ft.) landscape buffer established as part of negotiations with the neighbouring residents during the design of the arena is being maintained. As requested by the neighbours, a pedestrian sidewalk to the parking area west of the proposed building is included.
- The building has been sensitively scaled and massed to ensure contextual fit of a large building in a small town. Where it is adjacent to single family dwellings to the west, the building has been intentionally scaled down to a single storey to relate better to its neighbours.
- Facing south towards the arena, a campus is created via a new modest civic plaza that includes the space of the existing driveway, avoiding a reduction of parking space. It is defined by new stone walls and paving stones, providing clear wayfinding to the main entrance. A seating cluster and feature planters for stormwater retention break down the scale of the plaza and encourage gathering for staff and residents. A defined walkway provides a pedestrian link from the administration building to the arena.
- New trees surround the building, including along the upgraded Chippewa Street and between the building and the parking area, helping to soften the transition from landscaped to hard surfaces.
- Other exterior amenities include public seating and an outside staff lunch area with a shade pergola roof.
- A sidewalk along Chippewa Street to Thorburn Street is included to connect the building to the pedestrian network.
- Provision of adequate parking – 230 spaces (including 12 barrier free) on the site with the future ability to add 20 parking spaces at the south end of the site if deemed necessary in the future.

Building Organization

- In general, the building is organized to provide Council and Provincial Offences Act (POA) functions and short term customer service needs on the main floor. The second floor provides all of the functions associated with development and business services that have longer customer interaction needs, and the third floor houses the divisions which provide support functions.
- The central two storey lobby is a glazed, day-lit focal point that organizes the building's circulation with a direct view to the second floor.
- The ground floor design includes a separate POA service counter and a main customer service area that incorporates service kiosks and seating. The lobby incorporates display areas that will be used for cultural services programming.
- The Mayor/CAO suite is located on the main floor as a focal point visible from the public space to reinforce that local government is accessible to its citizens.
- Workstations have been clustered in an open, flexible, efficient office loft space. This frees up the building perimeter for shared circulation, minimizing private space on the windows.

- Large expanses of workstations have been avoided by breaking up areas with support space clusters, defining smaller 'neighbourhoods' for staff comfort and privacy.
- The Council Chamber/POA Courtroom is a key focal element of the exterior design and allows security and functional needs to be met.
- Separate and distinct staff entrances are incorporated providing access to work areas and a basement 'mud room' with locker storage and showers for approximately 50 staff that perform a combination of field and office work. The entrance from Chippewa Street has been designed to facilitate a loading area and can be used as a POA entrance when required.
- Flexible storage for all divisions is provided in basement cages.

Workplace Quality and Functionality

- Access to natural light throughout the building is a key component of the design with generous windows throughout.
- Operable windows provide natural ventilation for greater thermal comfort, especially during shoulder seasons. Thermal comfort is further augmented with small, localized zoning of the HVAC system to allow greater control and temperature response.
- A sound masking (white noise) system tempers noise and provides audible privacy.
- Two different staff rooms have been provided. The third floor staff room acts as a quiet space for reflection and gathering of thoughts while the ground floor space is larger and more active, spilling out to an adjacent outdoor space. Both feature varied seating types and styles, allowing choice and varied degrees of socialization.
- Stairs have been designed, not as a utilitarian afterthought, but as day-lit spaces with doors on hold-open devices, making them appealing and encouraging use. Access controlled staff entrances are provided into the north and south stairwell with convenient access to all levels, including the basement mud room.
- The basement includes a mud room for all field staff with lockers for field wear, and a decontamination shower. A sick room and a wellness/multi-purpose room that includes adjacent showers and washrooms provide additional amenities for staff.
- Individual-use washrooms provide privacy and accommodate all users.
- The floor layout incorporates co-location of work groups that need to collaborate, and in particular, locates all of the development and business serving functions on the second floor.
- Customer service areas include public access computers, display space and seating.
- Collaborative space, print/supply areas, file storage and meeting spaces are distributed throughout the building, allowing for both planned and spontaneous staff interactions.
- Council Chambers layout is flexible to allow a variety of configurations and includes 56 public seats (with the ability to expand into the lobby via an optional sky fold wall and/or TV monitors). The Committee Room is designed to have in-camera meetings and all necessary amenities for both Council and POA activities. The design of Council Chambers allows for easy conversion to POA functions and meets the access and security requirements for the Justice of the Peace and Crown Prosecutor.
- The building will be fully AODA compliant (elevator, service counters, technology) and include public Wi-Fi.
- The building will incorporate wireless technology throughout to promote collaboration amongst staff, communication and flexibility in terms of where one works.
- Flexible storage for all divisions is provided in basement cages as well as consolidated museum artifact storage.
- The building has been designed to clearly identify and separate public space from staff work space and includes security measures to achieve this.
- A functional loading space is incorporated including an optional service elevator.

Building Form & Quality

- The building's overall form has been carefully broken down in scale, creating smaller elements that fit the small town, domestic context while still maintaining civic dignity. This rationale is carried on all building faces.
- The Council Chamber has been given visual focus with a unique roof line and stone cladding.
- The remainder of the ground floor is clad in a warm grey brick that signifies civic dignity, provides durability and matches the arena masonry. The upper stories are differentiated with a durable panel cladding system, giving a smooth modern finish.
- The main entrance is identified by a steel frame canopy with wood decking exposed on its underside. It extends to the driveway to mark the entrance, provides a welcoming amenity for visitors and is bent so its sculptural frame emphasizes the entrance.
- The elongated two storey lobby is glazed for civic transparency and generous daylighting. Large overhangs provide sun control and feature the same wood deck as the entry canopy.
- Extending from the lobby is the illuminated main public stair, forming a focal point as the building's tallest element.
- To animate the façade and prevent the building from looking too institutional in a residential context, window sizes have been varied and carefully patterned. Larger areas of accent windows have been placed at strategic locations such as corners and the central circulation aisle of the workstation area to allow long views and generous daylighting into office areas.
- The rear of the building has similar architectural treatment to ensure good quality design facing Chippewa Street and future development.
- Office areas feature exposed ceilings in some feature areas and generous ceiling heights that are emphasized to appear higher and brighter by indirect lighting. Suspended acoustical ceilings and carpet tile floors provide noise control and good light reflectivity.
- Throughout, colour will be used as both an inexpensive design tool and a way to provide identity.
- Wood and stone accents at key points of emphasis in highly visible areas are used judiciously for maximum impact.

Flexibility for the Future

- Due to sloping grades at the northeast corner of the site, windows were added to a portion of the basement within the multi-purpose room so it may be converted into future work space if needed.
- Due to the configuration of the second floor to ensure the right groups were co-located, an opportunity was incorporated to add space on the third floor that will initially be used as collaborative space, but can be converted to work space in the future if required.
- The building is currently designed for 176 workstations and includes the ability to add 41 spaces to meet future needs.
- A three-storey 11,700 sq. ft. addition (3 floors at 3,700 sq. ft.) could be constructed east of the proposed footprint should the need ever arise in the future.

(E) Grand Erie Business Centre Lease:

County Staff and the Grand Erie Business Centre (GEBC) have negotiated a proposed lease agreement for approximately 535 square feet of office space. The Grand Erie Business Centre is a not for profit business development centre providing new and existing businesses in Haldimand County and West Lincoln Township with consultation, support, advice and business loans up to \$350,000. There are significant synergies between the two organizations, including common clients, and co-location allows for a one-stop business services and customer service function. By locating the GEBC on the second floor with the remainder of the County's development services functions, it will allow

existing and proposed businesses to obtain, in one place, complete information relating to business support and development requirements. On July 19th, 2017, the GEBC Board of Directors passed a resolution in support of moving their function to the County Administration Building.

The recommended lease between the County and the GEBC incorporates the following parameters:

- The GEBC will be located in defined separate space co-located and adjacent to the County Economic Development group in a business services wing and appropriate signage will be included for GEBC clients.
- The GEBC will lease approximately 535 sq. ft. of office space and will have use of common space (lunch room, elevator, shared meeting space, washrooms, etc.).
- 5 year lease, renewable for two further terms of five years, effective January 5, 2020.
- Rate of rent of \$14.00/sq. ft., indexed annually.
- Common Area Maintenance Fees based on \$10.00/sq. ft.
- Standard 60 day notice of termination by either party.
- Turn key approach – the County will construct the space, provide and own office furniture (workstations, desks, tables), provide shared parking with County Staff, HVAC, utilities, janitorial services, all building and grounds maintenance and storage space. Overall, there will be a ten year rate of return on the costs to construct the space.
- The GEBC will pay for leasehold improvements in the amount of \$20,000 to off-set the cost of a wall requested by them to create the separate office space to be recovered over the first term of the lease.
- The GEBC will be responsible for its own Information Technology (IT) servers and equipment, moving costs and equipment (i.e. photocopiers, phones, etc.).
- All other County standard terms and conditions have been included in the lease.

Attachment 2 contains a copy of the draft lease. The draft lease has been shared with GEBC representatives and has been confirmed to be satisfactory. Staff recommend that Council approve the lease and authorize the Mayor and Clerk to execute all necessary documents. The inclusion of the Grand Erie Business Centre as part of the Administration Building is supported for the reasons outlined above.

(F) Building Project Budget:

Building Construction

The 2016 feasibility study completed by Invizij Architects recommended a minimum 40,000 sq. ft. building on three floors with a small unfinished basement (approximately 4,000 sq. ft.). This scale of facility was estimated to cost approximately \$16.2 million. The staff recommended building, designed by Thier+Curran Architects Inc., is 42,900 sq. ft. with a 11,400 sq. ft. semi-finished basement.

The revised scope of the project is a result of a comprehensive design process based on the principles established by Council, staff engagement and neighbourhood consultation. In order to meet Council's desire to establish a one-stop customer service standard for development services, the 2nd floor was designed to include Planning and Development, Building Controls, Engineering Services, Water & Wastewater and Economic Development & Tourism. The second floor space envelope was carried upward to the third floor providing collaborative space that can be used for workstations in the future. The first and third floor designs are in keeping with established co-adjacencies and efficiencies based on collaboration. Through community consultation, the building was flipped to address neighbourhood privacy concerns. The resulting changes included a widened base building footprint that achieved a more functional first floor plan, including a welcoming lobby with waiting areas, a more functional entrance vestibule and display areas for museum artifacts and public events.

The second key change was the expansion of the basement space. During the design process, detailed review of storage requirements was undertaken as well as the functional needs of each division. The basement expansion includes controlled museum storage, a large production/copy room, a mudroom with showers, change rooms and washrooms for field staff, a sick room, laundry facilities (this also addresses our needs as an Emergency Command Centre) and on-site cage storage per divisional requirements. Site grades also provided an opportunity to add space in the basement at an economical cost now, that can later be converted to workstations if needed. In summary, the built-in expansion space both with the main building and basement are reflected in the updated budget within this report.

Mechanical system upgrades being proposed include: upgrades from rooftop HVAC units to a higher quality air handling heat pump system, complete with operable windows and an enclosed rooftop mechanical room. This system provides a better quality environment through additional controlled zones and natural ventilation in the shoulder seasons. The additional upfront capital cost for this system as indicated in the budget section below, has a 7 year payback due to reduced energy/operating costs. The operable windows meet the building requirements for an Emergency Command Centre and were considered desirable by Staff. These mechanical system upgrades are reflected in the updated budget.

Some exterior finishes were changed to be compatible with the adjacent residential neighbourhood. These treatments were carried into the interior of the building, such as the underside of the entrance canopy wood treatment into the lobby and high ceiling in Council chambers. Additional areas changed include: exterior masonry and cladding, entrance courtyard/plaza and walkway connection to arena, additional landscaping features and museum artifact display cases. These material quality upgrades are reflected in the updated budget.

Building Soft Costs

The building soft costs have increased by \$120,000 from the preliminary design as a result of the following changes: a white noise system for sound attenuation; additional office furniture throughout to reduce individual workspace and overall building footprint; upgraded digital displays and access/security technology.

Site Servicing Costs

The site servicing costs have increased by \$65,000 from the preliminary design as a result of the following changes: additional improvements to Chippewa Street to address neighbouring concerns (bump-outs for traffic calming); improved loading lay-by and designated parking; additional sidewalk construction along Chippewa Street and site connectivity to address neighbouring concerns.

Value Engineering Cost Savings

A value engineering exercise was completed that resulted in the following recommended costs savings/provisional items:

- reduced basement storage through operational improvements = \$130,000 savings (already incorporated into revised basement floor plan)
- addition of large screen monitors in lieu of a sky fold expansion wall for large Council meetings = \$100,000 provisional savings
- reduced size of outdoor staff lunch space = \$20,000 savings
- removed covered smoker's pavilion = \$20,000 savings
- modified elevator service = \$150,000 provisional savings.

The value engineering cost savings recommended to be incorporated totals \$420,000. As noted above, \$130,000 savings is already accounted for in the reduced basement floor plan, resulting in remaining savings of \$290,000.

Revised Cost Estimates

EXPENDITURES	2016 Feasibility Study Estimate	Adjustments	Revised Estimate
Base Building Revisions	\$10,600,000	\$755,000	\$11,355,000
Workstation Expansion Space	\$0	\$450,000	\$450,000
Basement Build-Out	\$0	\$750,000	\$750,000
Mechanical System Upgrades (7 year payback)	\$0	\$430,000	\$430,000
Material Quality Upgrades			
Exterior Finishes & Landscaping	\$0	\$370,000	\$370,000
Interior Finishes & Heritage Display	\$0	\$280,000	\$280,000
Building Soft Costs (Professional Fees, Permits, Development Fees, Legal Fees, Furnishings & Equipment)	\$2,650,000	\$120,000	\$2,770,000
Sub-Total Building	\$13,250,000	\$3,155,000	\$16,405,000
Site Servicing Costs (on-site and external)	\$1,180,000	\$65,000	\$1,245,000
Site Service Engineering Fee	\$50,000	\$0	\$50,000
Archaeological Investigations	\$0	\$0	\$0
Value Engineering Cost Savings	\$0	(\$290,000)	(\$290,000)
Project Subtotal	\$14,480,000	\$2,930,000	\$17,410,000
Project Contingency @10%	\$1,450,000	\$300,000	\$1,750,000
Land	\$0	\$0	\$0
Subtotal Before Taxes	\$15,930,000	\$3,230,000	\$19,160,000
Applicable Non-Rebateable HST	\$270,000	\$70,000	\$340,000
Estimated Total Cost	\$16,200,000	\$3,300,000	\$19,500,000

Although the project is now better defined than during the 2016 feasibility design stage, staff still recommend a project contingency of (\$1.75 million) be carried until the tender closes as market conditions are subject to change and it will be a number of months to complete detailed design and secure a contractor for spring construction.

Information Systems – Mobile Technology Strategy

While the building design incorporates workplace variety and spaces to enable productivity and promote collaboration, technological tools also need to be available to support work. The proposed Administration Building will incorporate technology to enable the following:

1. **Mobility & Flexibility** – The building has been designed to include both formal and informal opportunities for collaboration. To maximize the efficiencies that this provides, the building is being designed for wireless technology that will allow staff to take their device with them and work throughout the building – in common rooms, lunch room, collaborative spaces, at work areas and in meeting spaces. Portable technology has significant benefits in terms of work efficiency, collaboration, customer service and community outreach.

The County intends on moving toward greater use of '2-in-1' devices for all County functions. These devices combine the features of both a tablet and a laptop for portability and can function

like a full desktop. Staff that are involved in many meetings, where collaboration is integral to the work or staff who work in the field will be issued the portable devices. This approach will require a greater investment in portable (“mobile”) devices. Currently, about 25% of all computers are portable. The change to enable mobility and flexibility results in over 60% of all computers being portable. This change includes moving from approximately 304 desktops and 94 portable computers (laptops/tablets) to 157 desktops and 240 portable (“2-in-1” devices and tablets). The transition to portable technology will be phased in over a 5 year timeframe and will have a net capital increase in the cost of the portable technology of approximately \$350,000, plus approximately \$50,000 to upgrade to the enterprise version of Windows operating system which will be required to allow users to have the common user experience. This \$400,000 increase in the capital cost of the user technology will result in an annual operating budget increase of approximately \$80,500 to depreciate the equipment and have reserve funds to pay for future replacements based on a 5 year cycle. This initiative is deemed necessary regardless of moving to a consolidated administration model. The Senior Management Team supports this approach. If Council supports this direction, the impact of the mobile technology strategy will be reflected as a Council approved initiative in the 2018 Information Services budget.

2. Meeting Rooms/Council Chambers – In addition, the building will incorporate into the meeting spaces and the Council Chambers technology that easily facilitates the ability to project your computer screen on a display monitor, the ability to write, draw, alter and share content in real time and the ability to facilitate videoconferencing and relay data to participants both within the room and on-line. This will ensure more time is spent on the work rather than setting up technology and it also makes it simpler and easier to communicate both amongst internal staff and with clients/community members.
3. Customer Service – Ongoing work to develop and implement online services for customers throughout the County continues to be developed and refined. In keeping with the internal theme of portable and mobile technology, likewise it is critical to offer similar mobile, convenient opportunities to customers. Society is moving towards a self-serve, 24-7 mode of customer service and staff will continue to investigate and implement ways of offering such online services to customers on an incremental basis, progressing to local community hubs, increased mobile services and other methods of customer engagement. To date, available online services include a variety of payments, program and aquatics registration and dog licensing. Staff continue to work on other online options such as digital plan submissions for building/planning applications, burn permits and other high demand services. Before 2019, a marketing campaign will be developed, involving branding, website redesign and user education for online services to achieve a seamless transition for members of the public to the new administration facility and customer service approach.
4. Records Management – The move to a centralized administration building provides an opportunity to review and consolidate the myriad of records, files and materials collected and generated as part of operations. This will allow for better, more comprehensive customer service and less risk of errors as a result of there being fewer versions of information available. While this will be a long term transition, it has been identified that there is a significant immediate opportunity to consolidate building and development information that is currently distributed amongst 4 offices and to digitize portions of the information so it can more easily be accessed and provided to customers. The details of this initiative and cost are still being refined and will be brought forward during the 2018 budget process for Council’s consideration at that time.

Furniture

The overall design of the new facility incorporates an open space concept to promote collaboration, optimal work adjacencies and adds overall value to the workplace. In keeping with this functional yet

flexible culture, the building has been designed on the basis of a modular furniture system. Modular furniture is furniture made up of standardized pieces that can be fit together in a variety of ways. They most commonly consist of independent work surface and storage units with panels used as end panels or space dividers that when connected, collectively form a workstation. A modular system of furniture has many benefits to the County as outlined below:

1. Flexibility – Modular furniture allows for a significant amount of flexibility and versatility. Modular (or movable) systems offer layouts and features that can adjust to meet the changing dynamics of the office over time, responding effectively to advancements in technology, organizational change or work culture. It is lightweight and easier to assemble/disassemble than traditional furniture, therefore it can be reconfigured into different layouts as needs change. Use of modular furniture also minimizes down time in an office when furniture or space changes are required.
2. Environmental – Modular furniture systems introduce less initial material into the built environment due to the reduction in square footage that is realized. Quite often, modular furniture parts are re-usable and recyclable. Installation and reconfiguration is essentially dust-free, protecting air quality.
3. Space – Traditional office furniture occupies much more floor space than modular furniture. Moving to a modular system allows for a reduction in the square footage needed for job performance. The individual workspaces in the facility were able to be reduced by 25-30% per workstation/office based on a modular furniture system. For example, enclosed offices were originally planned at 150 sq. ft. per office to accommodate existing furniture. The use of modular furniture will allow each office to be reduced to 100 sq. ft. Likewise, 105 small workstations were reduced by 25% from 48 sq. ft. to 36 sq. ft. The space savings (distributed throughout the building) achieved through more efficient workspaces has conservatively resulted in cost avoidance of approximately \$850,000 in the initial build and an additional \$150,000 in future savings at full build-out. In addition, the furniture proposed will provide the same or better functionality than traditional furniture.
4. Cost Efficient – As noted above, the modular furniture system proposed results in overall significant project savings when taking into consideration the floor space that has been eliminated to accommodate smaller work areas. In addition, although modular furniture start up costs are higher than traditional furniture, replacements are much more cost efficient due to the fact that modular parts or pieces can be replaced on an as needed basis rather than replacing an entire workstation as is currently required. Most modular systems today feature quality laminate construction as opposed to the wood construction of existing furniture. Though the modular program may initially be more expensive than traditional office furniture, the ability to re-purpose, relocate and adapt the system will save money over the long term. The average lifespan of a modular unit is estimated at 20-25 years while the existing furniture replacement schedule is based on 15-20 years.

The new administration building includes 176 immediate workspaces consisting of 24 offices, 30 large workstations, 105 small workstations and 17 hotel/student workstations. The gross cost to appropriately fit the new building for 176 workstations is approximately \$830,000. It is anticipated that a volume discount will be secured to offset a portion of this cost, however the rate of discount is unknown until tenders are submitted. In addition, the sale proceeds of all existing furniture will be applied to offset the start up cost, although proceeds are expected to be minimal. The revised project budget is adequate to cover the cost of office and workstation modular desks.

The current furniture replacement schedule is reviewed on an annual basis. Funding from reserves is used to purchase required furniture approved through the annual Capital Budget. Reserves are replenished through the annual Tax Supported Operating Budget based on the life expectancy and depreciation schedules for various types of furnishings. Further analysis will be brought forward during

2018 budget deliberations with respect to the furniture program so adjustments may be made to the 2018-2027 Capital Forecast. These adjustments are expected to have a minimal impact on the annual Operating Budget over the next several years with respect to reserve contributions to fund future furniture replacement. Although the increase per workstation for modular furniture is approximately \$1,500 from the current cost, since the new administration building will be fitted with new furniture upon occupancy, replacement is not anticipated for several years. As a result, the next 5-10 years should see a reduction in capital expenses related to furniture and will also see a more stable contribution to the reserve for future furniture replacement which is not anticipated until 2039, under the proposed modular furniture system.

Conclusions

In 2015, Council went through an extensive process to review various administrative accommodations options. At the outset of this initiative, Council adopted a set of decision principles which were used to guide its decision to consolidate administrative functions into one new facility located in Cayuga. Two of the key principles were ensuring the new facility furthers the County's Strategic Principles and supporting the County's adopted Way of Work Standards. The information below shows how the new facility design aligns with these and other decision principles previously adopted.

1. Improved overall customer service for residents and businesses will be the result (access to service, minimization of number of visits, comprehensive service):
 - It provides clarity of location for the public in terms of where services are available, returning to the historical approach of the official County seat residing in Cayuga.
 - Having all development related divisions together on the second floor will allow for more comprehensive customer service for clients who need information or service from several functions as opposed to having to visit several locations, allowing customers to obtain more comprehensive and accurate information in one visit.
 - It will allow greater flexibility in terms of how staff are deployed by providing greater availability, coverage for vacancies and opportunities for cross-training. Availability of staff to assist customers will be higher as a result.
2. Fair and equitable access to County services for residents, businesses and investors – (the ability to get service):
 - Business organizations have indicated that comprehensive service is more important than physical location. A second floor development counter will service the needs of development related business in one stop.
 - Provides for a central location in the County for those services that require in-person contact in Cayuga or for customers who choose to attend the Cayuga office for service.
 - The Grand Erie Business Centre will be co-located with the Economic Development & Tourism Division to work closer together enabling strengthening of services offered to businesses and investors.
3. Increased functionality and administrative operational efficiencies in terms of service delivery will be achieved:
 - Key adjacencies have been achieved by co-locating key work groups together that benefit from working in close proximity.
 - Collaborative areas throughout the building will promote improved internal communication, problem solving between work groups and increased efficiency.

- On-site storage proposed in the basement allows for efficiencies associated with travel to current off-site locations in various communities. Additionally, the proposed basement storage provides flexibility to adjust configurations according to changing needs over time.
4. Long term cost effectiveness will be demonstrated (i.e. rationalization of operational and capital investments):
- The investment made in this facility results in an administrative centre with flexible space to accommodate future growth over a lifespan of 50+ years. The continued use of existing buildings given their age and condition would require significant investments and would be at the end of their useful life at the end of 20 years.
 - Incorporating future space into the design at this stage rather than constructing an addition within the next 20 years is a more efficient and cost effective approach to ensuring the facility's longevity.
 - Costs and time associated with staff traveling between administrative offices for business, Council meetings, and customer meetings will be significantly reduced.
 - One single administration facility reduces the current duplication that exists in IT infrastructure.
 - Operational costs such as utilities will be positively impacted through the incorporation of energy efficient choices such as the proposed HVAC system.
 - Shared, offset parking with the Cayuga Arena facility provides for efficient use of space and reduces operational costs associated with maintenance that would otherwise be necessary if the facility were not located on a shared site.
 - The new facility in Cayuga will eliminate the need to rent private space in Caledonia with a direct savings in rental costs of approximately \$250,000 per year.
5. The decision will promote 'open local government' and will meet the needs of clients in terms of spaces that allow privacy and confidentiality, dignity, accessibility, and which reduces potential conflicts between uses and users (i.e. noise, safety):
- The new facility addresses noise efficiency, private spaces and public spaces, adequate parking and safety/security features built-in, including those desired for the POA function.
 - The proposed design addresses accessibility (AODA) needs of the population.
 - The proposed facility includes technology such as improved audio/visual in the Council Chambers, portable technology and other technology improvements that result in efficiencies, transparent government and good communication.
 - A multi-purpose meeting room will meet the need for public meetings and emergency control group requirements, etc.
6. The decision will result in an accommodation option that is flexible to respond to change over time (changes in services provided, growth and demographic changes, new organizational structures, evolving technology and business continuity during emergencies):
- The new facility is an open concept design providing flexibility over time to adjust to changing needs in the organization.
 - The use of modular furniture is more space efficient and it allows internal reconfiguration to meet future needs.
 - Flexible spaces are proposed, but designed to offer opportunities to re-purpose in accordance with future needs.
 - The new facility also acts as the Emergency Control Centre and is proposed to be equipped as such.

7. The decision will provide a professional work environment for staff that contributes to high performance, good morale, employee wellness and retention/recruitment:
 - The proposed design allows for a contemporary work environment that has adequate work space, meeting space, support space and amenities to support operations.
 - The physical functional layout based on achieving key adjacencies will contribute to high performance through better communication and collaboration.
 - Health and safety measures such as temperature control, air quality, storage areas will be improved from current conditions with the proposed design.
 - Proposed wellness space and open area collaborative space meets the needs of the millennial workforce and assists in recruitment and retention of quality staff.
 - It ensures that work space, meeting space and quality of the work environment is consistent through dignified, yet modest workstations and office sizes.

The proposed functional design program reinforces these decision principles and moves Council's objective forward, resulting in an efficient, flexible, cost-effective and long term solution to administrative accommodations in Haldimand County.

FINANCIAL/LEGAL IMPLICATIONS:

The revised project cost of \$19,500,000 (as detailed above) is recommended to be debt financed. This excludes the proposed initiatives for information technology changes and furniture strategy which will be reflected in the long range capital financing strategy presented for review with the annual budgets.

Over and above this, there will be temporary financing costs incurred until the issuance of debt. Council has also approved the secondment of staff for project management. It is recommended that these additional costs are funded from the Capital Replacement Reserve – General, rather than debt issuance. Staff are investigating additional financing opportunities which may result in reduced carrying charges during construction.

As a result of the proposed changes, the following table shows the recommended revised budget including the related financing:

	Proposed Revised Budget
EXPENDITURES:	
Construction (details above)	\$19,500,000
Functional building program consulting services (CAO-01-2016)	50,000
Project Management Staffing (New Initiative in 2016 Operating Budget)	610,000
Temporary Financing	780,300
Total Capital Expenditures:	\$20,940,300
REVENUES:	
Debentures	\$19,500,000
Capital Replacement Reserve - General	1,440,300
Total Financing:	\$20,940,300

Debt issuance for this project will result in average annual payments of approximately \$1,400,000 for a twenty year period, which is an increase of approximately \$240,000 over the previous estimated long-range financial plan included in the 2017 Tax Supported Capital Budget and Forecast. Future tax supported budgets will reflect the capital financing costs in the County's long-range financial plan along with associated operating costs.

Council approved and/or new initiatives resulting from opportunities related to information technology improvements, records management consolidation and furniture replacement will be presented for review during the appropriate budget process.

STAKEHOLDER IMPACTS:

Not applicable.

REPORT IMPACTS:

Agreement: Yes

By-law: Yes

Budget Amendment: Yes

Policy: No

ATTACHMENTS:

1. Central Administration Project Perspectives, Site and Floor Plans (A – H).
2. Draft Lease between Haldimand County and the Grand Erie Business Centre.