



TO: GENERAL COMMITTEE

SUBJECT: YEAR ROUND DOWNTOWN PUBLIC MARKET

WARD: ALL WARDS

PREPARED BY AND KEY CONTACT: L. WORTON, MANAGER OF FACILITY PLANNING AND DEVELOPMENT
J. De VROOM, FACILITY CAPITAL PROJECT SUPERVISOR

SUBMITTED BY: R. PEWS, DIRECTOR OF CORPORATE FACILITIES

GENERAL MANAGER APPROVAL: D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES

CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That Staff Report FCT004-18 concerning the Year Round Downtown Public Market be received in response to motion 17-G-325 requesting that staff provide General Committee with options to reduce the overall project budget by \$2M and \$4M through design savings, and provide options to shorten the overall project timelines by at least one year.
2. That Option C as set out in Staff Report FCT004-18 and the Downtown Barrie Permanent Public Market Technical and Financial Validation Study appended to Staff Report FCT006-17 continue to be the guiding principle in implementing the Barrie Permanent Market Precinct.
3. That current approved funding for the Permanent Market not be spent until staff have received and reviewed the funding requirements and restrictions of the Provincial PTIF grant funding that would allow the City if successful in an application, to use the funds to cover the majority of the cost of the Allandale Transit Hub Project.

PURPOSE & BACKGROUND

Report Overview

4. This Staff Report is a summary of additional information requested by Council associated with motion 17-G-325 following Staff Report FCT006-17. Outlined below are the requests made by General Committee within motion 17-G-325.
 - i) That Staff report back to General Committee with options to reduce the overall project budget by \$2M through design savings, with the proposed transit building being the first priority for reductions (Option A).
 - ii) That Staff report back to General Committee with options to reduce the overall project budget by \$4M through design savings, with the proposed transit building being the first priority for reductions (Option B).
 - iii) That Staff report back to General Committee with options to shorten the overall project timelines by at least one year.

- iv) That funding for the Multi Modal Transit Hub Study that is being requested within the 2018 capital plan totalling \$100,000 to be funded from the Tax Rate Stabilization Reserve, be expedited and approved to commence immediately, and staff report back to General Committee with the results of the Study. (FCT006-17) (File: R00)
5. Within this Staff Report, information and options will be provided in response to item #1, #2, and #3 outlined above. A response to item #4 will be provided in the form of a Multi Modal Transit Hub Study Report appended to Staff Report TPS003-18.

Background

6. On December 16, 2013, Council passed Motion 13-G-323, DOWNTOWN MARKET FEASIBILITY STUDY. The Motion authorized Staff to conduct a feasibility study for a self-sustainable year round market in the downtown. As directed, *'The Market Feasibility Study for a Public Market in Downtown Barrie'*, was prepared by the Resource Management Consulting Group, dated February 2015.
7. On June 8, 2015, Council passed Motion 15-G-131 YEAR ROUND PUBLIC MARKET – REPORT ON THE FEASIBILITY STUDY. The Downtown Market Steering/Working Group was formed in August 2015 which then retained the consulting team of Three Sixty Collective in March 2016 to undertake the Downtown Barrie Permanent Market Business Plan.
8. The Business Plan recommended a Market Precinct Layout for the site that included the renovation of the Transit Terminal to house the year round market vendors and a second building to be built that would house the Farmers' Market on Saturdays with the option of additional days/hours, plus a commercial kitchen and daily/weekly programed events.
9. On January 30th, 2017, Council passed Motion 17-G-020, YEAR ROUND DOWNTOWN PUBLIC MARKET. The Motion authorized staff to conduct a Conceptualization Study to complete a financial and technical validation of the Downtown Barrie Permanent Public Market Business Plan conducted by Three Sixty Collective dated October 2016.
10. In April 2017, an RFP was issued to selected consultants to provide consulting services to conduct a conceptualization study as outlined above. LETT Architects was the successful respondent.
11. On December 11, 2017, Staff Report FCT006-17 was presented to General Committee which provided LETT Architects' Conceptualization Study of the financial and technical aspects of the Downtown Barrie Permanent Public Market Business Plan completed by Three Sixty Collective dated October 2016.
12. Additionally, within Staff Report FCT006-17 Staff presented four options of investigated paths forward that would realize the vision of Barrie's Downtown Market Precinct. Of the options provided, Option C - TRANSIT RELOCATION was presented as Staff's recommended option. This option involves a simplified phasing approach to the proposed Market Precinct beginning with the completion of a Multi-Modal Transit Hub Study. In Phase One, a new Barrie Transit terminal facility is constructed at a location determined by the Transit Study, which would facilitate the relocation of Barrie Transit terminal ticketing services from their downtown location. Following the relocation of Transit, Phase Two would begin which includes the renovation of the existing Barrie Transit terminal building to the Permanent Market Building and the new construction of the Farmer's Market Pavilion Building. The entirety of the proposed Market Precinct would be constructed and completed in Phase Two allowing for a simple, phased approach to the project.
13. On December 18, 2017, Motion 17-G-325 was approved which outlined additional information and options to be provided to General Committee to reduce the overall project budget by \$2M and \$4M

through design savings, with the proposed transit building being the first priority for reductions, and further, with options to shorten the overall project timelines by at least one year.

14. Through the 2018 Capital Plan the Barrie Permanent Market Precinct has been approved with funding in the amount of \$100,000 in 2017 for a Multi Modal Hub Study, \$2.9 million in 2018 for design and construction, and an additional \$3.9 million approved in advance for 2019.
15. Motion 17-G-325 also approved the Multi Modal Transit Hub Study in advance of the 2018 Capital Plan and required that staff report back to General Committee with the results of the Study.

ANALYSIS

16. As reported in Staff Report FCT006-17 the project cost was estimated as follows:

<u>OPTION</u>	<u>MARKET PRECINCT COST</u>	<u>TRANSIT FACILITY COST</u>	<u>TOTAL PROJECT COST</u>
C	\$8,985,640	\$5,075,400	\$14,061,040

The Transit Facility Cost provided by LETT within the Barrie Permanent Market Validation Report issued on November 2017 and appended to Staff Report FCT006-17 informed the estimated cost values identified above. The estimated cost for a new Transit Facility is an order of magnitude cost estimate and therefore should not be interpreted as the true project cost. The cost estimate is derived from an estimation on the cost per sq. ft. to construct a new transit building, and allocating allowances to construction components such as building services, site hardscape and softscape construction, site amenities and lighting, etc.

17. As a part of the Multi Modal Transit Hub Study, Transit Staff retained a consultant to perform a Class D cost estimate to provide a more detailed estimate that would be suitable to inform a project budget. The cost estimate that Hanscomb Consulting Inc. has put together are costs based on industry average unit rates and an estimated quantity of units. The Class D cost estimate identifies an estimated project cost of \$6,418,100 for a single storey Transit Facility and an estimated cost of \$9,039,500 for a two storey Transit Facility. The cost estimate and report has been appended to Staff Report TPS003-18.
18. As identified in this report, options for project reductions have been provided for a \$2 Million dollar option and a \$4 Million dollar option. The options reflect a reduction from the order of magnitude cost estimate provided by LETT architects as that was the estimated cost at the time of Council's approval of motion 17-G-325. As identified in paragraph 17, a more detailed cost estimate has been obtained which more accurately reflects the design concept created during the Multi Modal Transit Hub Study.

Option A - \$2M Project Reduction

New Transit Hub Facility

19. The costing that was identified in the LETT report was based on a 6,000 sq.ft. facility at a cost of \$364/sq. This budget number is based on the industry average cost in 2018 dollars. In order to reduce the cost of the overall project, the furniture, fitments and equipment (FF&E) could be reduced to a minimum along with the design and style of the building. Constructing a transit building that would be a standard masonry and glazed structure without any of the attributes that would be typical with a municipal building or a transit terminal would reduce the capital cost. In this case, a sq.ft. cost in the range of \$280/sq.ft. could be utilized. This would reduce the overall project cost by \$504,000.
20. In lieu of or in combination with reducing the FF&E of the building, the size of the building could be reduced to a minimum. Based on future needs, it was determined that approximately 6,000 sq.ft. would be needed. Based on the current operations of the existing transit terminal, 4,500 to 5,000 would suffice but would not allow for future growth. Based on a 4,500 sq.ft. building, the overall project cost could be reduced by \$546,000. In combination with a reduced FF&E the total project cost could be reduced by \$924,000.
21. Additionally, the fit and finish of the site could be reduced to a minimum. Reductions to the site would equate to minimum site amenities, such as eliminating canopies, heated shelters, sidewalk and landscaping finishes, etc. The cost estimate provided by LETT Architect included very elementary site construction/amenities, therefore there are minimal cost reductions relating to the fit and finish of the site. Staff estimate that approximately \$100,000 could be reduced from the finish of the site.

Permanent Market Building

22. The costing that was identified in the LETT report was based on \$225/sq.ft. Pending the level of fit-up, the cost to complete the renovation could be greatly reduced. \$225/sq.ft. was utilized to budget for a level of fit-up consistent with that envisioned by the Market Committee and Three Sixty Collective. In order to reduce the overall project cost, the level of fit-up could be scaled back to a minimum standard which would include demolition, electrical retrofit, and mechanical retrofit, maintain the existing ceiling with patch and repair. New flooring throughout, etc. Based on this reduced level of fit-up, the square foot cost estimate could be reduced to approximately \$150 to \$175/sq.ft. which would bring the overall cost of the permanent market down by \$350,000 to \$525,000.
23. Within the LETT budget \$318,000 has been allocated to Marketing, Branding + Iconography, Signage and Wayfinding as envisioned by Three Sixty Collective. Although there is not a lot of room to cut from this budget while maintaining a successful marketing campaign, it could be reduced by \$30,000 to \$40,000.

Farmer's Market Building

24. The Farmers Market Building budget is based on a new 7,500 sq.ft. building and has been budgeted based on the image that was depicted in the Three Sixty Collective Feasibility Report, an innate structure designed fully of glass and irregular angles. In order to reduce the overall budget, the farmer's market building could be designed at a various number of levels. A building that provides the bare minimum of features and functions would cost in the range of \$225/sq.ft. to \$260/sq.ft. A moderately designed building that includes some aesthetic features could be in the range of \$260/sq.ft. to \$300/sq.ft. For the purpose of the Option A - \$2,000,000 Project Cost Reduction, a construction budget cost target of \$280/sq.ft could be used. The cost savings based on \$280/sq.ft. vs. \$350/sq.ft. is \$525,000. As discussed with the Farmer's Market Committee, the potential exists

that elements of the teaching kitchen proposed for the Farmer’s Market building may be donated by local businesses. For this reason, staff have included budget dollars to ‘rough-in’ the kitchen in lieu of the full installation.

Option B - \$4M Project Reduction

25. It would be difficult to cut \$4,000,000 from the project budget without significantly reducing the scope of the project. In order to achieve this, the cost savings for the New Transit Hub Facility identified in Option A would have to be implemented, and the Farmer’s Market building as envisioned would need to be removed from the scope of the project. In lieu of the Farmer’s Market building, the Farmers Market could operate within the confines of the existing canopy structure that is currently on the 24 Maple Street site. With appropriate modifications, it may be possible to construct an open shelter over the existing canopy utilizing the existing structural columns and steel frame. This would provide a roof over the entire area.

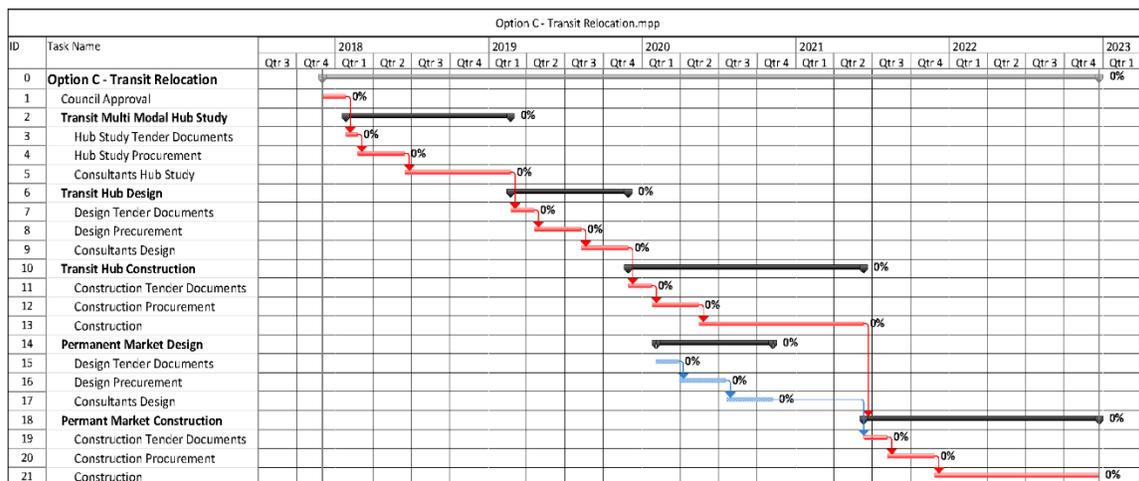
26. The following table is a summary of the cost reductions for Option A and Option B.

Options	New Transit Hub Facility	Permanent Market Building	Farmer’s Market Building	Total Reduction
Option A	-\$1,024,000	-\$390,000	-\$525,000	-\$1,939,000
Option B	-\$1,024,000	-\$390,000	-\$3,016,600	-\$4,430,600

Project Schedule Reduction

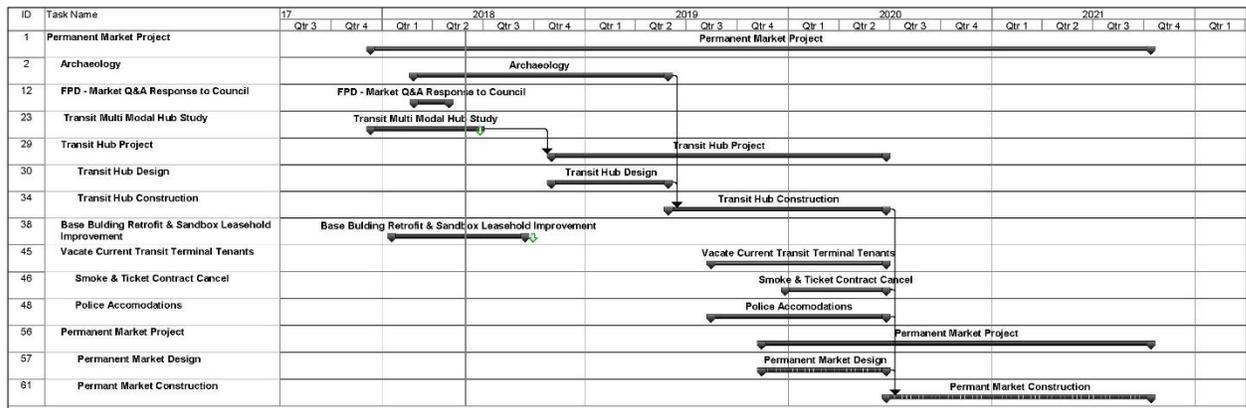
27. As identified in Staff Report FCT006-17, a schedule was presented for Option C which saw the Barrie Permanent Market Precinct project along with the construction of the new Transit Hub Facility completed in 4 years. Within motion 17-G-325, General Committee requested that Staff explore options to compress the project schedule by a minimum of 1 year.

28. The schedule shown below is the proposed schedule included within Staff Report FCT006-17 presented to General Committee on December 11th of 2017. As identified in the schedule, the timeline of the Barrie Permanent Market Precinct Project was created based on estimated times of procurement, design, construction, and standard design, bid, build contract execution.



29. In order to see the project completed sooner than identified within Staff Report FCT006-17, elements of the project can be compressed by utilizing design-build contracts. The schedule identified as **2018 Compressed Schedule** shown below has been created based on accelerated construction schedules and the utilization of design-build contracts for the Transit Hub build and the Permanent Market construction. A design-build contract eliminates the need for separate design and construction procurement processes by combining and compressing both the design and the construction elements of a project into one contract.

30. **2018 Compressed Schedule**



31. While a design-build contract inherently accelerates a project schedule, it does introduce risks that can adversely affect the budget, the quality of the finished product or both. Within a design-build contract, cost extras can potentially cause the project to go over budget because design elements are not explicitly detailed within the RFP. A design-bid-build contract vs. a design-build contract includes an advanced design and contains specifications that instruct the general contractors on the design and the materials to include within their bid submissions. The design-bid-build contract methodology has reduced financial risks, however it does require an elongated schedule as each of the design and construction phases of the project are sequentially tendered. Conversely, a design-build contract benefits the owner with regards to a shortened project schedule, but includes financial risks due to the lack of project design details being available during the procurement period.

32. It is important to note that the project schedule is completely contingent upon the results of the Archaeology study currently being conducted on the proposed site of the new Transit Hub Facility. The findings of the study cannot be assumed in advance of acceptance of the final report by the Ministry of Sports, Tourism and Culture.

33. It is also important to note that the completion of the project under the proposed schedule is dependent on the start of the project. Based on the 2018 Compressed Schedule, staff have projected that the total project timeline is approximately 3 years. Should General Committee chose to delay the start of the project, it will result in the completion of the project being delayed by roughly the same amount of time.

34. The completion of the approved Barrie Permanent Market Precinct project as outlined is dependent upon the approval and implementation of a new Barrie Transit Hub as outlined within the Multi Modal Transit Hub Study appended to Staff Report TPS003-18. Should the Transit Hub not proceed, continuation of the Barrie Permanent Market Precinct project as envisioned would not be possible as the Transit operations that currently reside within the building at 24 Maple Street would remain.

Business Case Update

35. Within the Three Sixty Collective Business Plan for the Permanent Market, potential programming that would make use of the proposed Farmers Market Building a minimum of 5 days a week was identified. Given the passage of time since these recommendations were developed, the City's Creative Economy department was asked by the Executive Management Team to provide input on potential programming of a new Farmer's Market building. The department's analysis has been submitted to Council through a Creative Economy department memorandum dated June 11, 2018 for review and consideration.

ENVIRONMENTAL MATTERS

36. As noted in staff report FCT006-17, the soil conditions in the vicinity of the existing Barrie Transit terminal are very poor. The poor load bearing capacity of the soil has been factored into the construction cost estimates for the Farmer's Market building.

ALTERNATIVES

37. The following alternatives are available for consideration by General Committee:

Alternative #1

General Committee could select Option A as provided within this report in lieu of Staff's recommendation.

This alternative is not recommended, since a budget reduction as detailed in Option A will significantly reduce the fit and finish of both the proposed Allandale Transit Hub facility and the Permanent Market Precinct project. The appeal of the Barrie Permanent Market will not only be the service and vendors available but also the aesthetic design attributes of the facility. In addition, due to the close proximity to Barrie's waterfront, the aesthetics of the site and the building should be of a quality that would befit the "heart of the City", as it is a major attraction for residents and tourists.

Alternative #2

General Committee could select Option B as provided within this report in lieu of Staff's recommendation.

This alternative is not recommended, since a budget reduction as detailed in Option B would significantly reduce the scope envisioned within the Three Sixty Collective year-round public market report. In order to reduce the project budget by \$4 million dollars, project scope such as the elimination of the Farmer's Market building would be necessary, which in turn could affect the viability of the Barrie Permanent Market Precinct. As identified in the Permanent Market Business Plan created by Three Sixty Collective, and LETT Architect's Financial and Technical Validation report, the permanent market's success is likely to rely heavily on synergies with the Farmer's Market.

FINANCIAL

38. This report is not requesting the approval of any new capital projects or financial changes to existing projects. It is recommended that the start of the Barrie Permanent and Farmer's Market project be deferred until such time as program information for Public Transit Infrastructure Fund Phase 2 is reviewed and analyzed. The financial options and implications of a future decision regarding the project will be considered in the context of the overall capital plan.

<u>OPTION</u>	<u>MARKET PRECINCT COST</u>	<u>TRANSIT FACILITY COST</u>	<u>TOTAL PROJECT COST</u>
Option A *	\$8,985,640	\$5,075,400	\$12,122,040
	-\$1,939,000	-\$1,024,000	
	\$8,070,640	\$4,051,400	
Option B **	\$8,985,640	\$5,075,400	\$9,630,440
	-\$4,430,600	-\$1,024,000	
	\$5,579,040	\$4,051,400	
Option C (Original, as per SR FCT006-17)	\$8,985,640	\$5,075,400	\$14,061,040

* Original option cost forecast updated to include \$2M project cost reductions

** Original option cost forecast updated to include \$4M project cost reductions

39. As noted within Three Sixty Collective's Downtown Barrie Permanent Public Market Business Plan the operating costs of the Permanent Market Precinct would be in the range of \$709,500 annually. The potential revenue is estimated at \$404,843 which equates to an annual net tax funded operating cost of \$304,657. Included within the estimated Market Precinct revenue was \$126,000 for the lease of the 2nd floor of the existing building, which is now to be occupied by the Sandbox Entrepreneurship Centre. As identified in Motion 17-G-252, the lease agreement includes free rent, taxes, utilities, maintenance and insurance, increasing the annual impact of the Permanent Market Precinct to approximately \$430,657.
40. As identified in Staff Report FCT006-17, it is important to reiterate that utilizing the facility at 24 Maple Avenue for the Permanent Market will displace the Barrie Police Service, Barrie Transit, and the retail business operating at the terminal. As noted in the report, another facility will be required to accommodate the Transit operations. This facility is detailed in Staff Report TSP003-18 submitted June 11, 2018 for Council's review and consideration. Additionally, displacing the Police to another leased location will incur relocation and renovation costs appropriate for the chosen location, plus applicable leasing costs.
41. Additional government grants and funding are available on an ongoing basis through various government entities such as Ministry of Economic Development - Employment and Infrastructure, Ministry of Agriculture, Food and Rural Affairs (OMAFRA), etc. The available grant dollars vary in amount and are dependent on the timing of the Barrie Permanent Market Precinct project. Applications for available grants could offset a small percentage of the Permanent Market Precinct cost.
42. Staff anticipate that funding for a new Transit Hub that would enable the Permanent Market / Farmer's Market project to proceed may become available through PTIF Phase 2 as the project outcomes are well aligned with the funding program objectives (increased transit ridership and service coverage, reduced greenhouse gases, promoting regional transit, etc.). Based on the information released to date, new transit projects could be funded based on a split of 33% Federal, 33% Provincial, and 33% Municipal. However, detailed parameters of the PTIF Phase 2 program have not been released (e.g. eligible costs, phasing of funding, stacking rules). A key restriction under PTIF Phase 1 was that projects already approved and funded by Council were not eligible for the program. To date, Council has not approved funding for a new Transit Hub and staff are not seeking approval for new Transit Hub funding at this time.

43. The new Allandale Transit Hub Project as detailed in Staff Report TSP003-18 is estimated to cost approximately \$9,039,500 and would be debt financed subject to the availability of PTIF funding. Additionally, a percentage of the Allandale Transit Hub Project could be funded from DCs as the new Transit Terminal will accommodate growth within the City of Barrie. However, as reported in the year-end DC report, development charge reserves are nearly overdrawn and would therefore likely also require debt financing. Some of the possible funding outcomes are shown in the table below:

	1	2	3
Federal PTIF	\$ -	\$ 3,013,167	\$ 3,013,167
Provincial PTIF	\$ -	\$ 3,013,167	\$ 3,013,167
Provincial Gas Tax (PGT)	\$ -		\$ 1,506,583
Municipal*	\$ 9,039,500	\$ 3,013,166	\$ 1,506,583
Total	\$ 9,039,500	\$ 9,039,500	\$ 9,039,500

*Likely requires debt financing

Scenario 1 – Fully funded by City of Barrie. Assumes not successful in PTIF application

Scenario 2 – Assumes funding model as outlined in the PTIF Federal/Provincial bi-lateral agreement

Scenario 3 – Assumes funding option 2, and in addition the City of Barrie having the ability to stack Provincial Gas Tax funding

LINKAGE TO 2014-2018 STRATEGIC PLAN

44. The recommendation(s) included in this Staff Report support the following goals identified in the 2014-2018 Strategic Plan:
- Vibrant Business Environment
 - Responsible Spending
 - Inclusive Community
45. Moving forward with the Year Round Downtown Market Project would promote and strengthen the City of Barrie in the provision of a regional attraction and gathering place. As a first step to initiating the Year Round Downtown Market Project, it is necessary to move the Barrie Transit Services to a new location. Deferring the start of the Market Precinct project so as not to disqualify the Transit Hub from PTIF Phase 2 eligibility is recommended, and relocation of the Transit Hub from the downtown core to the Allandale area consolidates local, regional and GO transit services in a single location for convenience and efficiency.