



5.4

Hamilton
Public Works

Public Works
Corporate Assets & Strategic Planning
Facilities Management & Capital Programs

Provincial Offences Administration
Courtrooms and Offices

Friday November 27, 2015

Providing services that bring our City to life !



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50 Main St. East





Updated Chronology 2012-2014

2012-2014

- **August 13, 2012:** City Real Estate staff were informed by ORC would not renew the lease after its expiration.
- **December 5, 2012 (GIC):** Motion for 50 Main Street East as surplus property.
- **December 10, 2012 (AF&A):** City staff directed to investigate the feasibility of long term Provincial Offences Administration Court House location options.
- **November 20, 2013 (GIC):** GIC Recommendation Report: relocation option evaluation and recommendation. Option 1, renovate 50 Main St. East is recommended and approved.
- **January 22, 2014 (GIC):** GIC Information Report: further information provided on POA such as revenues, tenants, construction model, financing.



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Updated Chronology 2014-2015

2014-2015

- Competitive RFP for the Prime Consultant awarded Architect (INVIZIJ).
- Function program development and schematic design with Architect and Stakeholders:
 - Justices of the Peace
 - Legal Services
 - Clerks – Provincial Offences Administration
- Working with Legal services, developed a City standard CCDC 5b contract supplementary conditions for Construction Management.
- Class C cost estimate from certified quantity surveyor (Hanscomb).
- Competitive RFP for Construction Manager awarded to Prime Contractor (Eastern Construction).



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Original Financial Analysis

***Table 1.5.1 - Summary of Option Evaluation (POA Perspective)**

	Option 1 50 Main St E Capital Funding	Option 2 New Building	Option 3 Design-Build /Lease-Back
Total Project Capital Cost/lease Payment	\$32.38 M	\$39.2 M	\$5.8 M
Gross Floor Area	112,000	49,200	49,200
Project Capital Cost/sq.ft.	\$242	\$798	\$118
HCE Contribution	(\$4.9 M)	N/A	N/A
Proceeds from Sale of Main St E	\$0	(\$5.6 M)	(\$5.6 M)
Net Present Value of Lease Savings (other Depts)	(\$7.0 M)	\$0	\$0
Net Present Project Costs	\$20.48 M	\$33.6 M	\$47.6 M

*** GIC Information Report Jan. 2014**



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Update November 2015

- Project on budget to move forward for interior renovation of 50 Main St. East.
- Opportunity for envelope insulation and window replacement.
- Recommendation report brought to Council to provide update on the project.
(remove from GIC OBL)
- Council requested additional pieces of information further to the report.



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Information requested by Council

Relocation of Provincial Offences Administration (POA) Courtrooms and Offices (PW13079(c)) (City Wide)

That Report PW13079(c), respecting the Relocation of Provincial Offences Administration (POA) Courtrooms and Offices, be TABLED to the November 27, 2015 General Issues Committee (Budget), pending a specific and separate PowerPoint presentation and the following information from staff:

- (i) The cost of insulation and the curtain wall/windows;
- (ii) A breakdown of the \$8M;
- (iii) Energy Efficiency Savings and the energy losses due to the buildings age; and,
- (iv) Costs associated with the heritage factors of the building.



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(i) Cost of insulation & curtain wall

Cost of insulation & curtain wall includes:

- **\$ 0.5 M building envelope insulation (incl. stone patch work, security glazing extra)**
- **\$ 5.5 M:**
 - \$ 2.7 M for 2661 m² curtain wall replacement and**
 - \$ 2.8 M method to replace curtain wall using custom system (existing design)**
- **\$ 0.5 M roof work on 1st, 2nd, 5th floor, penthouse**
- ***\$ 0.73 M design & other fees***
- ***\$ 0.63 M contingency***
- ***\$ 0.13 M non-recoverable HST***

= \$ 8 M Total



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(ii) Breakdown of the \$8M

Table 1 - Summary of Project Costs

	POA Renovation	Window Replacement & insulation*	Total
Construction Cost Estimate as per Hanscomb report (Incl. HCE District Heating/Cooling)	\$ 22.536 M	\$ 6.5 M	\$ 29 M
Architect & Engineering (Design Fees), including Contract administration, testing costs and permits	\$ 1.63 M	\$ 0.729 M	\$ 2.359 M
Contingency and Escalation	\$ 4.767 M	\$ 0.631 M	\$ 5.399 M
Furniture & Fixtures (e.g. cubicles)	\$ 0.9 M	N/A	\$ 0.9 M
Tenant Fit-Up allowance	\$ 1.1 M	N/A	\$ 1.1 M
Non-Recoverable HST 1.76%	\$ 0.4467 M	\$ 0.1383 M	\$ 0.585 M
Fee Charge-backs	\$ 1 M	N/A	\$1 M
Total	\$ 32.38 M	\$ 8 M	\$ 40.38 M

* June. 2015 Hanscomb Data



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(iii) Energy Efficiency

Energy Efficiency Savings and Losses due to the Building's Age:

- Estimated \$ 1 M Energy Efficiency Savings over the lifecycle of the new windows (30+ years, \$31,883/year savings*)
- Heat loss through and around old windows
- Heat loss from uninsulated curtain wall spandrels
- Solar gain from old windows in the summer
- Occupant Comfort
- Moisture infiltration & damage
- Lifecycle renewal to modern envelope

* Nov. 2015 EXP Data



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(iv) Heritage Factors

Incremental costs associated with the heritage factors of the building:

- **None**
- Current design solution is least expensive, restoring spandrel panels, adding aluminum frames.
- Custom solution required regardless of replacement method.
- Additional structural, aesthetics and cost if considering conversion to modern system.
- Modern curtain wall systems have issues of compatibility and geometric fit at 50 Main St. East.



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Rationale for Window Replacement

Opportunity presented Nov. 2015:

- Preventing Future Facility Damage
- Acoustics, Privacy & Security, Occupant Comfort
- Lifecycle Renewal and Opportunity Cost
- Energy Performance
- Significance of the Facility in the Urban Landscape

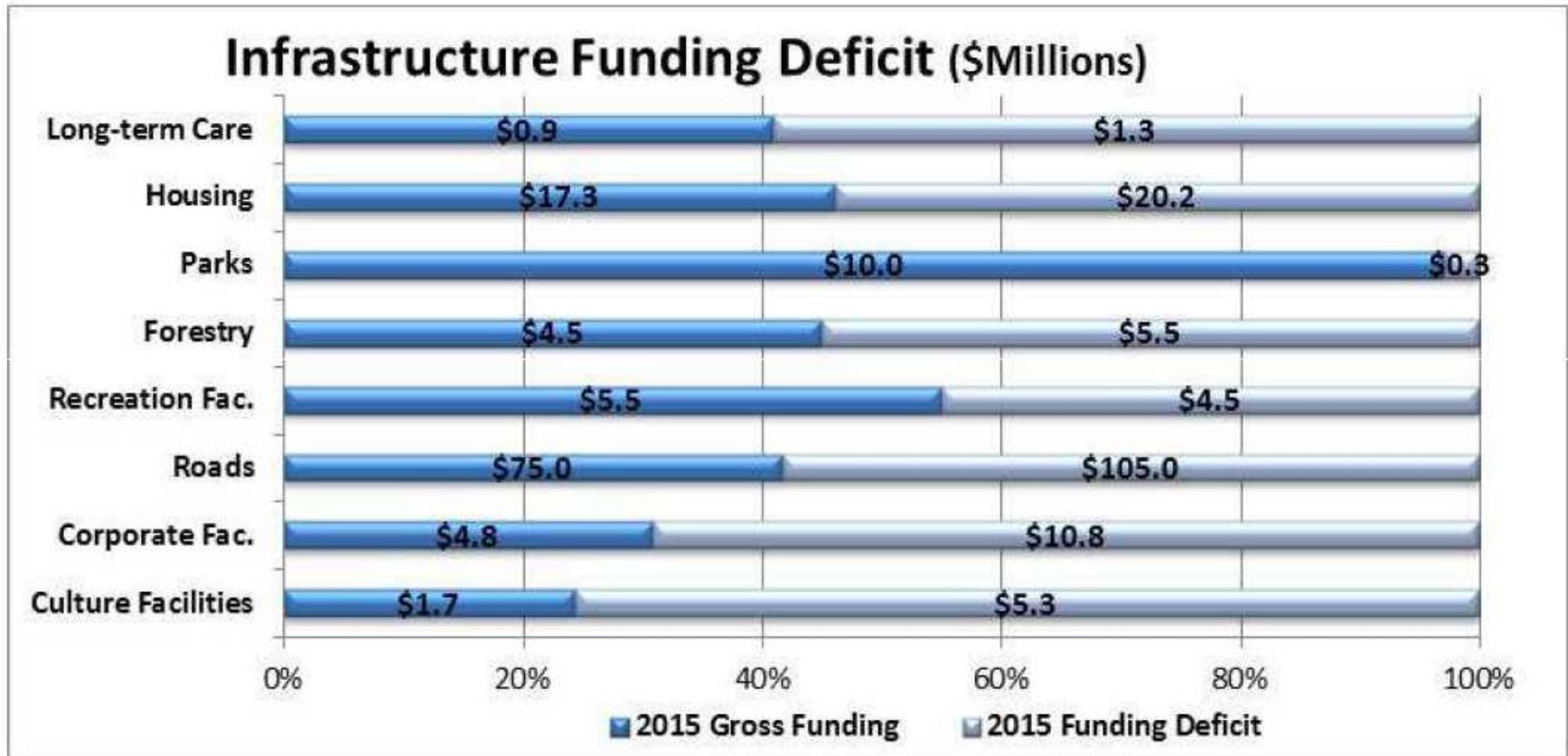
If we Defer Replacement:

- Create disruption to court proceedings in future
- Add escalation and mobilization costs



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State of Good Repair



In 2016 deferred facilities capital replacement backlog is projected at \$105 million



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Options

- 1. Full Replacement: \$8 M in today's funds**
- 2. 2-Phased Option: \$4 M for partial replacement with total up to \$11 M (including deferral premium)***
- 3. Insulation: \$300k-\$500k**
- 4. Status Quo: Total up to \$12.5 M (including deferral premium)***

* Nov. 2015 Hanscomb Data



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Deferral Premium

Deferred work would include estimated premiums* for the following:

- Escalation cost for material and labour for curtain wall
- Cost to provide hoarding/dust control during construction while fully occupied
- Cost to temporarily relocate personnel during construction while fully occupied
- Cost to provide security during construction while fully occupied
- Scaffolding, mobilization/demobilization, 2nd phase
- Repair and make good interior finishes at a future date
- Lost construction efficiencies
- Phasing

*** Nov. 2015 Hanscomb Data**



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Full Replacement (\$8M)

Full Replacement is Recommended in order to Address:

- Prevention of Future Facility Damage
- Acoustics, Privacy & Security
- Occupant Comfort
- Lifecycle Renewal and Opportunity Cost
- Energy Performance
- Significance of the Facility in the Urban Landscape



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2-Phased Option: Phase 1 North

Replace All Panels
924 m²

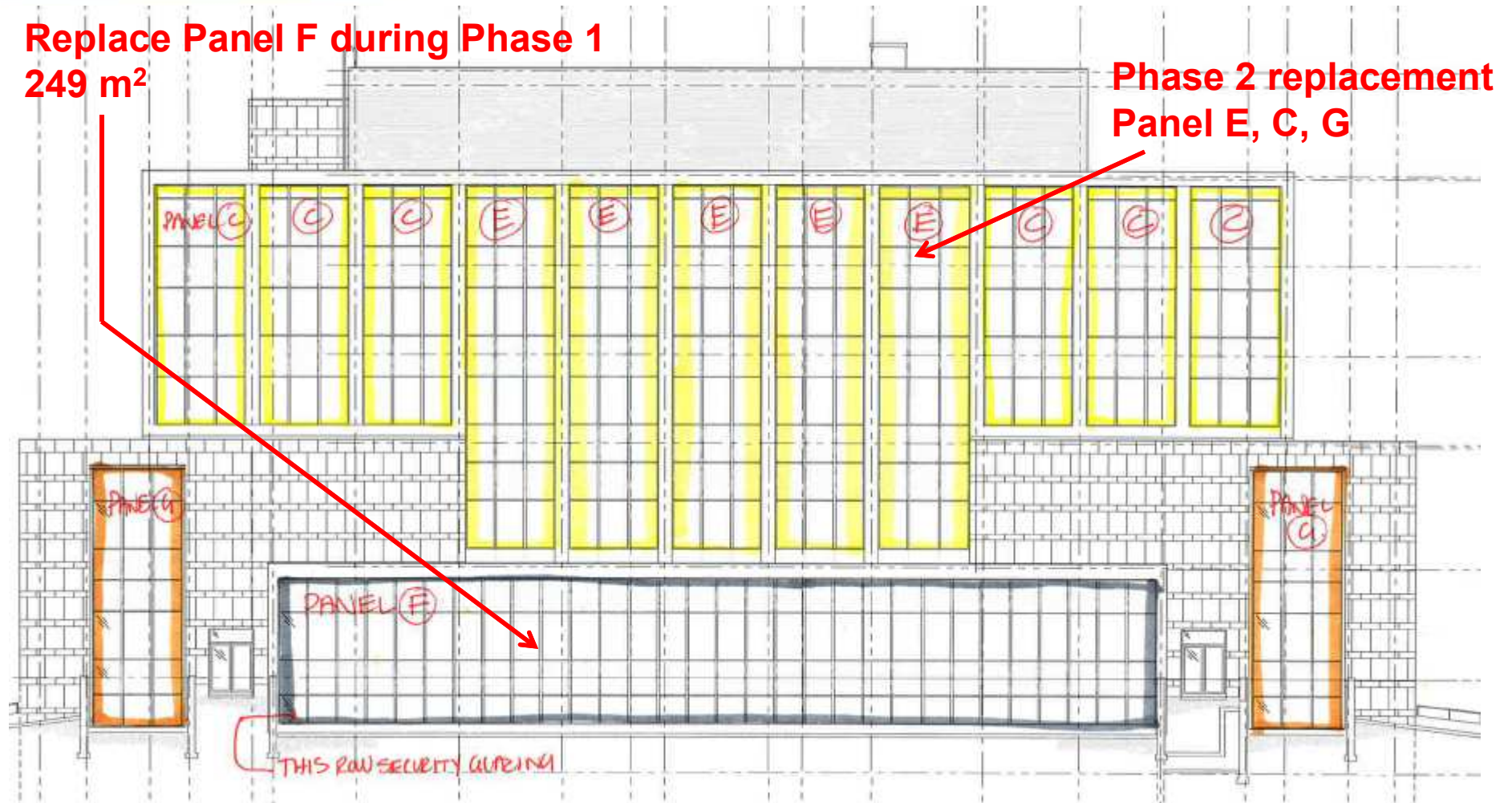


Main Street, North Elevation



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2-Phased Option: Phase 1 & 2, South



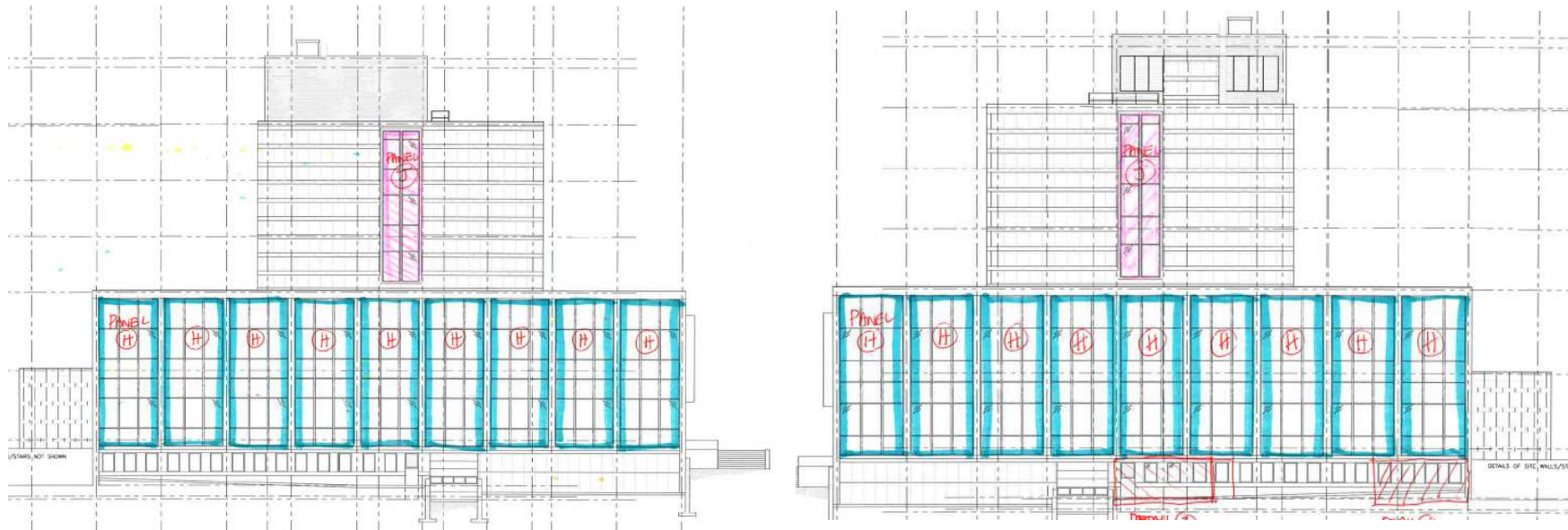
Jackson Street, South Elevation



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2-Phased Option: Phase 2, East & West

Phase 2 Replacement



John St. & Hughson St., East & West Elevation



2-Phased Approach Advantages

Partial Window Replacement has Advantages:

- More cost effective than full deferral
- Minimizing disruption during subsequent phases of public movement to and from building
- Not requiring renovation to interior courtroom during subsequent phases
- Contributes to solving an existing chronic over-heating problem due to southern solar exposure of the POA office areas facing Jackson St.
- Addresses Courtroom acoustics, comfort, privacy, security
- Main St. façade is significant in urban landscape



2-Phased Approach Limitations

Partial Window Replacement has Limitations:

- Phase 2 will be costlier to defer than replacing now due to remobilization, escalation, constraints of an occupied building
- Future disruption and temporary vacancy to offices and secure corridors in floors 1-5 along South, West and East Facades
- Continued facility damage along South, West and East Facades
- Energy performance, acoustics, comfort, privacy, security on South, West and East is not addressed



Status Quo Option:

- Costlier to implement in the future due to: Remobilization, Escalation, Constraints of an Occupied Building, Security, etc.
- Full Disruption of Courts
- Adds to the Maintenance and Capital Renewal Backlog
- Higher energy costs than if replaced
- None of the benefits of Replacement (Acoustics, Privacy & Security, Occupant Comfort, Energy Performance, Significance for the Urban Landscape)



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QUESTIONS

Questions?