



Hamilton

CITY OF HAMILTON

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

PUBLIC WORKS DEPARTMENT
Corporate Assets and Strategic Planning Division

CITY MANAGER'S OFFICE
Legal Services Division

CORPORATE SERVICES DEPARTMENT
City Clerk's Division
Financial Planning and Policy Division

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TO: Mayor and Members General Issues Committee | WARD(S) AFFECTED: CITY WIDE |
| COMMITTEE DATE: November 20, 2013 | |
| SUBJECT/REPORT NO: Relocation of Provincial Offences Administration (POA) Courtrooms and Offices (PED13204) (PW13079) (LS13035) (FCS13090) (City Wide) (Outstanding Business List Item) | |
| <p>SUBMITTED BY:</p> <p>Joe-Ann Priel Acting General Manager Planning and Economic Development Department</p> <p>Gerry Davis General Manager Public Works Department</p> <p>Janice Atwood-Petkovski City Solicitor – Legal Services City Manager's Office</p> <p>Mike Zegarac Acting General Manager Corporate Services Department</p> | <p>PREPARED BY:</p> <p>Neil Everson (905) 546-2424 Ext. 2359</p> <p>Marnie Cluckie (905) 546-2424 Ext. 2616</p> <p>Rom D'Angelo (905) 546-2424 Ext. 4617</p> <p>Bill Farkas (905) 546-2424 Ext. 7019</p> <p>Geoff Lupton (905) 546-2424 Ext. 7372</p> <p>Wendy Mason (905) 546-2424 Ext. 5718</p> <p>Ron Sabo (905) 546-2424 Ext. 3143</p> <p>Joe Spiler (905) 546-2424 Ext. 4519</p> |

SIGNATURES:

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RECOMMENDATION:

- (a) That McMaster University's Continuing Education Program, presently housed at 50 Main Street East, remain in its current location until January 1, 2015, at which time the City of Hamilton will require vacant possession.
- (b) That Option 1: Renovation of 50 Main Street East, be approved as the new location for the Provincial Offences Administration (POA) courtrooms and offices along with other municipal divisions/departments.
- (c) That the design costs in the amount of \$3 M, as contained in the proposed 2014 Capital Budget be approved, and that staff report back to Council once the total costs have been finalized after the completion of the design work.
- (d) That the funding strategy for Option 1 (\$32.38 M) be as follows:
 - (i) \$17 M be funded from additional net Provincial Offences Administration (POA) revenues and lease cost savings (\$1.7 M annual financing costs for 15 years).
 - (ii) \$10 M be funded from the Capital Levy (\$1 M annual financing costs for 15 years).
 - (iii) \$5.38 M be funded by Hamilton Community Energy for the installation of District Energy in Option 1: 50 Main Street East.

- (e) That 50 Main Street East remain as the permanent location for Ontario Municipal Board (OMB) hearings and, when not in use, that staff be authorized and directed to generate revenue from renting this courtroom.
- (f) That City staff be authorized and directed to provide termination notices, at appropriate timing, pursuant to terms and conditions of leases affected by this Report, including the Ontario Realty Corporation (ORC) and McMaster University.
- (g) That the item respecting Provincial Offences Administration Court House Long-Term Location Options be removed from the General Issues Committee Outstanding Business List.

EXECUTIVE SUMMARY:

On August 13, 2012, the lease renewal for the Provincial Offences Administration (POA) courtrooms and offices in the John Sopinka Court House (JSCH) was first received by the City of Hamilton Real Estate staff. City staff was informed by the Ontario Realty Corporation (ORC) that this would be the final lease renewal and would cover the period September 1, 2012 to August 31, 2017. The reason provided was identified as the escalating and projected demands for courtrooms and related space in the JSCH.

On December 12, 2012, City Council approved that the motion to initiate proceedings to declare 50 Main Street East as surplus. However, in respect to the long term use of the POA, prior to expiration of the current lease at the JSCH and the long term use of the POA at 50 Main Street East, that this asset be retained in the City's ownership.

In February 2013, Public Works Department Facilities staff was directed by City Council to: 1) Explore the feasibility of part-time, temporary locations for the Provincial Offences Administration Court House; and 2) examine locations for long-term use by the Provincial Offences Administration (POA) offices, prior to the expiration of the current lease in the John Sopinka Court House (JSCH) in 2017.

The sensitivity analysis by consultants MHPM Project Leaders concluded that a part-time or temporary location for the POA courtrooms and offices would not be a viable option. In fact, their analysis recommended that the City **NOT** delay the implementation and completion of a long term solution for the POA function. The Long Term Accommodation Feasibility study looked at four options and determined that renovating 50 Main Street East was the **preferred option** for a number of reasons. The two major reasons being; it was the least costly option to accommodate the POA offices and has the best chance of meeting the established timelines for the move in date of August 2017. In addition, it would allow for two other City divisions (presently leasing space

Downtown) to assume the remaining 50,000 s.f. and thereby create additional savings for the City. Finally, the newly renovated 50 Main Street East location presents the opportunity for more savings from the installation of District Heating /Cooling from Hamilton Community Energy (HCE) and the ability to service other buildings in the surrounding area.

Alternatives for Consideration – See Page 12.

FINANCIAL / STAFFING / LEGAL IMPLICATIONS:

Financial:

| 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 |
| Lease Savings at JSCH | (\$0.2 M) | (\$0.1 M) | (\$0.1 M) |
| Proceeds from sale of Main Street E | \$0 | (\$5.6 M) | (\$5.6 M) |
| Net Present Value of Lease Savings (other) | (\$7.0 M) | \$0 | \$0 |
| HCE Contributions | (\$5.38 M) | \$0 | \$0 |
| Net Present Project Costs | \$19.8 M | \$33.5 M | \$47.5 M |
| Earliest Available | Mar-16 | Sep-16 | Sep-16 |

Table 1 summarizes the three most cost-effective options from the City’s consultant MHPM (refer MHPM report dated September 12, 2013) in regards to providing space for the City’s POA Program area. From a Net Present Value perspective (MHPM used a 25 year NPV time period, 6.5% discount rate) Option 1 is the most cost effective by a significant margin (\$13.7m less).

In developing a financing strategy for this project (Option 1), staff incorporated the following assumptions;

1. The additional courtroom space will allow on a net basis approximately \$1.425 M in additional POA revenue. The net additional revenue is calculated from gross additional revenues of \$2.25 M less approximately \$0.8 M for salaries and overhead. The additional net revenues would be used to offset debt financing costs associated with the projected project costs of \$27 M (The \$27 M is net of a \$5.38 M contribution from the District Energy proposal from HCE).

2. The financing costs are as follows: 15-year amortization at 5% which translates into approximately \$2.7 M annually for 15 years. \$2.7 M less additional net POA revenue/lease savings of \$1.7 M resulting in a net Capital Levy impact of \$1.0 M for 15 years.
3. The following are the lease savings from other departments moving to 50 Main Street E. to be realized as their lease agreements expire. The table above assumes \$180,000 annually saved from the existing POA lease agreement with the JSCH. It also assumes approximately \$575,000 of annual lease cost savings from other City departments moving to 50 Main Street E. However, the timing of these savings is difficult to predict and therefore staff are using a conservative minimum figure to be used as a direct offset against the financing costs for this project (\$275,000 total annual in addition to the net additional revenue of \$1.425 M for a total of \$1.7 M). Staff are assuming that any fit-up costs for City staff moving to 50 Main Street East will also be funded from annual lease cost savings.
4. The balance of the funding required for the refurbishment of 50 Main Street East (\$10 M which when financed becomes \$1.0 M annually for the next 15 years) becomes part of the 2014 – 2023 Capital Budget Financing Forecast.
5. When the additional budgeted POA revenue and lease cost savings (\$1.7 M total, refer number 1) are no longer required to fund the Option 1 Capital costs, staff will report back to Council with regard to a future use for these funds.

Staffing:

| 2.5 COURTS – (CURRENT) | 4 COURTS | 5 COURTS | 6 COURTS |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Legal/POA Staffing 1 Supervisor /Prosecutor 5 Municipal Prosecutors 2 Prosecutors Assistants | Legal/POA Staffing 1 Supervisor /Prosecutor 7 Municipal Prosecutors 3 Prosecutors Assistants | Legal/POA Staffing 1 Supervisor /Prosecutor 8 Municipal Prosecutors 4 Prosecutors Assistants | Legal/POA Staffing 1 Supervisor /Prosecutor 10 Municipal Prosecutors 4 Prosecutors Assistants |
| City Clerk/POA Staffing 4 Court Reporters 1 Manager 1 Supervisor 1 Senior Court Admin. 1 Financial Assistant I 4 Collections 10 Court Administration | City Clerk/POA Staffing 6 Court Reporters 1 Manager 1 Supervisor 1 Senior Court Admin. 1 Financial Assistant I 4 Collections 13 Court Administration | City Clerk/POA Staffing 8 Court Reporters 1 Manager 1 Supervisor 1 Senior Court Admin. 1 Financial Assistant I 4 Collections 13 Court Administration | City Clerk/POA Staffing 9 Court Reporters 1 Manager 1 Supervisor 1 Senior Court Admin. 1 Financial Assistant I 4 Collections 13 Court Administration |
| * Co-operative Student (6 months per year) * Summer Student (4 months per year) | * Co-operative Student (6 months per year) * Summer Student (4 months per year) | * Co-operative Student (6 months per year) * Summer Student (4 months per year) | * Co-operative Student (6 months per year) * Summer Student (4 months per year) |
| Note – one additional court administration Clerk to be requested in the 2014 budget - 3 | | | |

* Non-City staff utilized

50 Main Street East will also require an additional courtroom for Ontario Municipal Board Hearings, which are presently held in this same facility. The proximity of this building to City Hall and the future relocation of Legal Services to this building will facilitate more efficient operations for this municipal requirement.

Legal:

The City currently occupies space in the Provincial Court House under lease with the Ontario Realty Corporation (“ORC”). In the event a proposed court house is intended to be used in advance of August 31, 2017 it may be necessary to give notice of early termination of the existing lease to the ORC. The current lease allows for early termination by the City upon notice. Similar requirements would apply in the event other City staff is relocated from leased premises into the proposed court house, before the term of their existing leases expires.

The City operates Provincial Offences Court and administrative offices under agreement with the Province of Ontario (the “Memorandum of Understanding” or “MOU”). In exchange for providing these services the City receives fine revenue. The alternatives proposed in this Report are intended to meet City obligations in continuing court services in accordance with provincial requirements, including accessibility. The utilization of additional court space and judiciary expected to be supplied for additional courts in a new court house will assist the City in customer service by accommodating increased public demand for court services, and help the City meet its legal obligations in providing timely service for trial scheduling. The inability to provide a replacement court house by August 31, 2017 would substantially interfere with City obligations and revenues under the MOU.

The City is obliged to provide trial and other notices in relation to court proceedings. Other documents, including tickets issued by police and the City, must list the court location. The timing of opening a new court house location must be coordinated, so that notices and documents identify the correct court location. Failing to co-ordinate the opening of the proposed court location would impact on court proceedings and public expectations, and in particular impact on the financial and other results obtained in those proceedings.

HISTORICAL BACKGROUND:

Effective February 7, 2000, the former Regional Municipality of Hamilton-Wentworth assumed the responsibility for Provincial Offences from the Ministry of the Attorney General. Currently, the Clerk’s Division of the Corporate Services Department manages the administration of provincial offences and the City’s Legal Division manages the prosecution. Provincial Offences Act charges can range from charges under the Highway Traffic Act, Compulsory Automobile Act, Liquor Licence Act and Trespass to Property Act.

The Provincial Offences Office for the City of Hamilton is currently located at 45 Main Street East, Suite 408, Hamilton, Ontario L8N 2B7, within the confines of the John Sopinka Court House. The City entered into a lease with the Ontario Realty Corporation for the required space that includes administrative office space for court administration and prosecution staff and courtrooms. POA presently utilizes two courtrooms full time Monday to Friday and an additional courtroom for a period of up to 60 days per year.

Eighteen (18) FTE's were transferred from the Province and today there is 30 total FTE's (22 in Clerks and 8 in Legal). Due to the increasing number of charges filed and the implementation of the new Early Resolution process, it is anticipated that additional staff will be required. The increasing charges filed are producing a large percentage of requests for Early Resolution meetings and trials. Consequently, the Hamilton POA requires more courtrooms to ensure trials and Early Resolution meetings are brought before the courts in an acceptable time frame to avoid charges being dismissed due to length of time to trial.

The most recent lease for the Hamilton POA courts that covers September 1, 2012 through August 31, 2017 (5 years) will be the final lease renewal as indicated in the most recent lease negotiations with the ORC. The move to another facility for POA will require the provision of additional space that is currently shared with the Province in the John Sopinka Court House. This additional space would house the Intake Court, Judicial Chambers, custody cells, etc.

As identified in the Facilities Management and Capital Projects Charter, staff were directed by City Council to: 1) investigate the feasibility of part-time, temporary locations for the POA Court House; and 2) examine locations for long-term use by the Provincial Offences Administration offices, prior to the expiration of the current lease in the John Sopinka Court House (JSCH) in 2017.

To be most effective, the new space for POA needs to be located in the downtown core, accessible to transit, close to the current court house and police headquarters. This will also permit easy access to the Criminal Court office as needed for the Judiciary, Police, POA court administration and prosecutorial staff in the transfer of POA appeal matters to the next level of court. The close proximity of the POA facility to the John Sopinka Court House would increase the effectiveness for services shared among both levels of court such as: court interpreters, probation services, the transportation and custody of prisoners, as required. The majority of municipally administered POA sites are stand-alone facilities that are located outside of the Provincial Court Houses in Ontario.

POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS:

The recommendation is in compliance with all existing Corporate and Provincial policies and procedures, The Memorandum of Understanding and the Local Side Agreement (POA transfer documents), and the Province of Ontario Architectural Design for Court Houses.

Real Estate Portfolio Management Strategy Plan:

The Portfolio Management Committee is assigned the strategic responsibility for procuring and managing corporate real estate assets with the view of minimizing real estate costs to the organization, and provide optimal utilization of the corporation's real estate.

A key component of the Committee is to investigate shared development or use of existing corporate facilities as potential for reducing costs or facilitating implementation of program use. The location of the subject site provides a strategic opportunity to support the effectiveness for services shared among both levels of court.

The influx of the \$5.38 M contribution from the District Energy proposal for capital investment/upgrades maximizes the long term value and use of this corporate facility. In addition, the retention of 50 Main Street East supports the need of POA and meets the broader corporate objective at the lowest cost possible.

RELEVANT CONSULTATION:

- McMaster University
- HCE (Hamilton Community Energy)
- Ontario Realty Corporation
- Portfolio Management Committee
- MHPM Project Leaders (Consultants)

ANALYSIS / RATIONALE FOR RECOMMENDATION:

In February 2013, the Facilities Management Division of the Public Works Department commissioned MHPM Project Leaders to undertake two studies; a Short Term Feasibility Study (see Appendix “A” to this Report) and the Long Term Accommodation Feasibility Study (see Appendix “B” to this Report) at a cost of \$55,500, to address the needs of the Provincial Offences Administration (POA) Office in Hamilton.

The purpose of the Short Term Feasibility study was to examine part-time, temporary locations for the POA offices and specifically, the creation of a single additional courtroom and the spaces necessary to support it. The findings of this study determined that it was not physically possible to build a temporary courtroom and the associated required space in either the Dundas or Glanbrook Municipal Service Centres. Further, the only other possible location to build a courtroom was the Stoney Creek Municipal Service Centre. However, even though this option would require the space standards to be reduced it still remained economically unfeasible. MHPM’s financial feasibility analysis conducted on these short-term alternatives determined that the incremental revenue derived from building a temporary courtroom would not be sufficient to offset the total project cost of constructing the new courtroom.

Based on the MHPM sensitivity analysis, the Short Term Feasibility study both concluded and recommended that the City **NOT** delay the implementation and completion of the long term solution for the POA offices. This was based on the City’s need to start receiving the revenue stream from the increased demand on the POA offices as soon as possible. Their study also pointed out that the significant capital investment required to create a temporary courtroom would essentially be a “throw away” cost once the permanent solution for the POA was completed.

The Long Term Accommodation Feasibility study explored in detail the long term solutions to the City’s requirement to relocate and expand the POA Offices prior to August 31, 2017. The following four options were considered:

1. Renovation of 50 Main Street East (existing location of McMaster University's Continuing Education Program): Gross Floor Area – 112,000 s.f.
2. Construction of a new building to house the POA function.
3. A design-build/lease back option for a new building that would be home to the POA function.
4. A shared facility with the Hamilton Police Services (HPS) and their new forensics centre which would be located at the renovated 50 Main Street East site or a new larger complex to be built.

Subsequent to a meeting convened this summer by senior Economic Development Division City staff that included representatives of the HPS, Option 4 was eliminated. Hamilton Police Services (HPS) representatives firmly stated that they required a stand-alone facility because of their requirements for significant underground parking/storage (53' specially equipped trailer) and the transfer of their Investigation Services Unit to the same facility. As a result, Option 1 and Option 4 would not be suitable for their purposes.

The MHPM consultants determined that Option 1 Retrofitting 50 Main Street East was the **preferred option** to create a long term facility for the POA courtrooms and offices. The following reasons were the basis for this conclusion:

- This option is the least costly solution to provide the space needed for the POA and allows the entire building to be renovated to base-building standard. The City's ownership of the building allows for immediate commencement of redevelopment and eliminates negotiations and dependency on third parties. This is particularly significant since it would be renovated to contemporary standards including an improved building envelope, new mechanical and electrical systems and renewed finishes except where original high-value materials are still in good condition.
- One of the most critical factors in this analysis is the ability to have the POA facilities functional before the expiry of the current lease at the JSCH in 2017. Appendix "C" to this Report presents a GANTT chart that highlights Option 1: Renovation of 50 Main Street East, being the only option that will meet the established timelines.
- The building's access to public transit and location across the street from the JSCH is ideal for all users of the POA Offices, Justices of the Peace, POA and Legal Services staff;
- Efficiency in POA functions: i.e. easier transfer of original court documents between the two court houses for appeals; security advantages with a pool of special

constables available; and enhanced coordination of probation services which can reduce re-visits and gaps in probation;

- The renovation of 50 Main Street East will create approximately 50,000 s.f. of surplus office space that can accommodate two City divisions that are currently leasing space in Hamilton's Downtown core. Both Legal Services and Risk Management have been identified as potential users (based on their existing leases) and can relocate to 50 Main Street East resulting in more efficiencies/synergies with the POA Offices in addition to potential annual lease cost savings of approximately \$575,000 and the elimination of \$180,000 in lease costs for space currently used by POA in the JSCH. However the exact timing of these savings is difficult to predict;
- The 50 Main Street East location opposite the JSCH provides the opportunity to generate revenue from the renting of unused courtroom space as overflow courtrooms to the Ministry of the Attorney General;
- 50 Main Street East will create a permanent home for the Ontario Municipal Board (OMB) and create opportunities for the OMB to make use of the POA courtrooms for hearings and vice-versa, if required.

Option 1: Retrofitting 50 Main Street East

Retrofitting also includes the potential for a District Energy conversion of the Court House by Hamilton Community Energy (HCE). This proposal would see HCE contribute \$5.38 M in mechanical systems upgrades to the 50 Main Street East as part of a larger agreement that would include a long-term lease of space and a commitment to use the district heating system.

At the March 27, 2013 Council meeting the Hamilton Utilities Corporation (HUC) Joint Advisory Committee Report 13-001 regarding the Court House District Energy Proposal was approved. The report recommendations were as follows:

- (a) That the City of Hamilton enter into a Memorandum of Understanding (MOU) for the Court House District Energy with Hamilton Community Energy (HCE), subject to the satisfaction of the City Solicitor;
- (b) That staff be directed to proceed with the district energy proposal engineering/design for the Court House, for the replacement of the existing steam boilers and cooling systems with new hot water boiler, new chiller and cooling tower and all related HVAC systems and to review the geothermal supplement option at an estimated cost of \$5,830,000 for the aforementioned upgrades;

- (c) That staff be directed to begin formal negotiations on a lease and final agreement between the City of Hamilton and Hamilton Community Energy (HCE) with respect to the Court house, to be presented for approval through the Hamilton Utilities Corporation Joint Advisory Committee and then Council for final approval.

The MOU between the City of Hamilton and Hamilton Utilities Corporation (HUC) was executed on May 8, 2013. Preliminary engineering, design and cost assessments have been completed for presentation and approval at the November 13, 2013 HUC Joint Advisory Committee. Staff will be recommending proceeding with district energy for the Court House. Details of the report and direction from the HUC Joint Advisory Committee were not available at the time of the drafting of this report. Staff will be available at the day of the General Issues Committee to answer any questions regarding the district energy proposal.

ALTERNATIVES FOR CONSIDERATION:

Option 2: A new building to house POA Courtrooms and Offices:

Constructing a new building on a vacant site was explored as an option by MHPM Consultants but was NOT recommended for the following reasons:.

- The Net Present Value of the Project Costs are estimated at \$33.5 M in comparison to Option 1 at \$19.8 M.
- The availability of land in the surrounding area required to situate the new building has not yet been identified or acquired creating significant risk of delay because building design and construction cannot start until a suitable land parcel is secured.
- Construction of an entirely new facility could result in a more effective building since it would be unconstrained by existing structures (Option 1)

Option 3: A Design-Build / Lease-Back delivery model option for POA courtrooms and offices.

The City would enter a partnership agreement with a private sector developer to construct a building to Hamilton's POA specifications and lease it back to the City.

- As per Option 2, again this is conditional on securing a suitable sized and appropriately located parcel of land.
- This option would reduce the immediate demands on the availability of capital funding.

- Option 3 is not preferred because at Total Net Project Costs of approximately \$47.5 M it would be the most costly option over the long term.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN:

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

- 1.2 Continue to prioritize capital infrastructure projects to support managed growth and optimize community benefit.
- 1.3 Promote economic opportunities with a focus on Hamilton's downtown core, all downtown areas and waterfronts.
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.
- 2.3 Enhance customer service satisfaction.

Strategic Priority #3

Leadership & Governance

WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective

- 3.2 Build organizational capacity to ensure the City has a skilled workforce that is capable and enabled to deliver its business objectives.
- 3.4 Enhance opportunities for administrative and operational efficiencies.

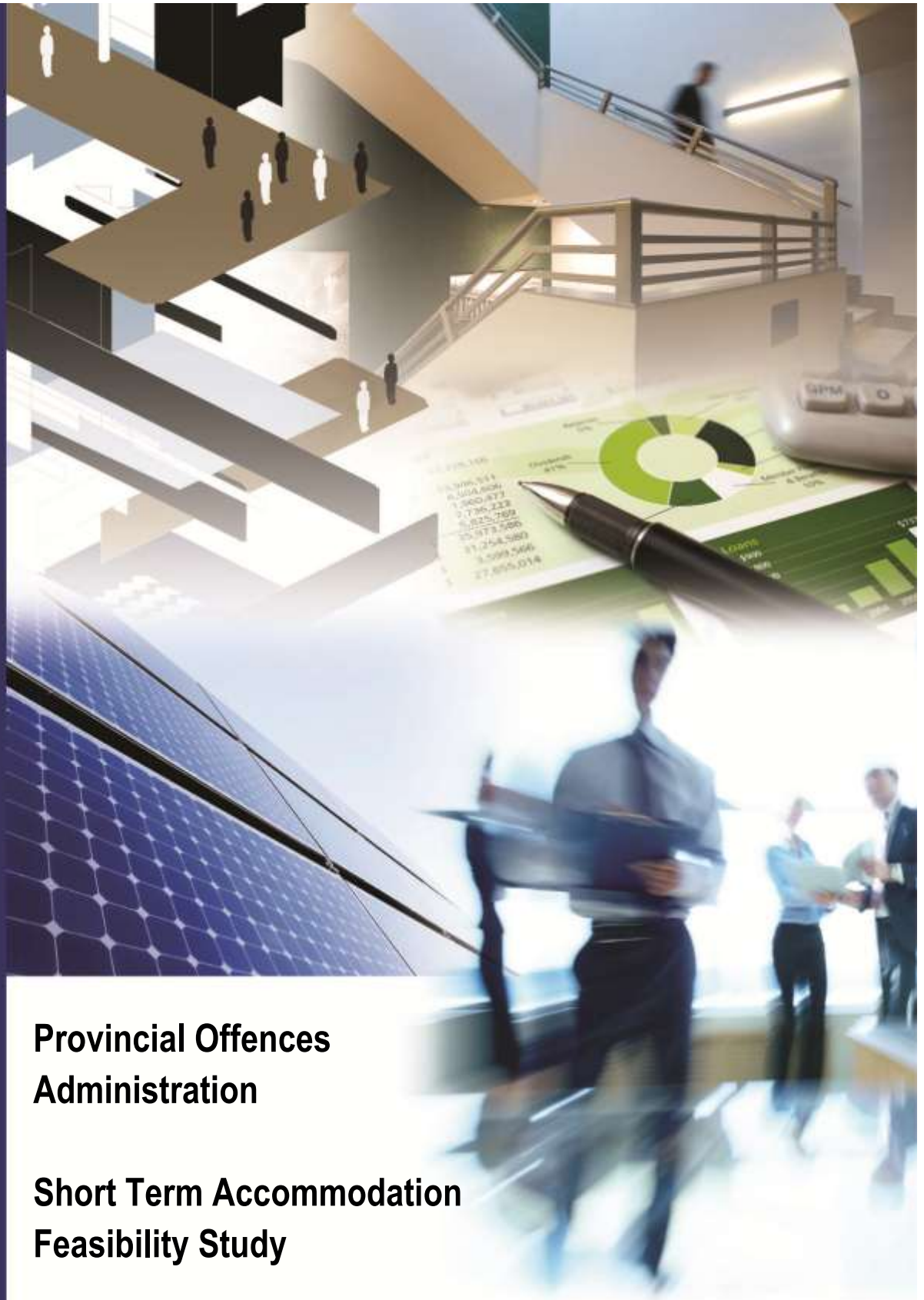
APPENDICES / SCHEDULES:

Appendix “A” to Report PED13204, PW13079, LS13035, FCS13090 – MHPM Short Term Feasibility Study

Appendix “B” to Report PED13204, PW13079, LS13035, FCS13090 – MHPM Long Term Accommodation Feasibility Study

Appendix “C” to Report PED13204, PW13079, LS13035, FCS13090 - GANTT Chart

NE/dkm



Provincial Offences Administration

Short Term Accommodation Feasibility Study

April 11, 2013
Revised September 12, 2013



Managing risk. Maximizing opportunity.

POA Short Term Feasibility Study
MHPM doc 810304-0007(5.0)

Acknowledgements

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POA Short Term Feasibility Study
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POA Short Term Feasibility Study
MHPM doc 810304-0007(5.0)

POA Short Term Feasibility Study
MHPM doc 810304-0007(5.0)

1. Executive Summary

1.1. Scope

This report is the first of two reports commissioned to provide direction to satisfy the short term and long term needs of the Provincial Offences Administration Office (POA office), as their lease at John Sopinka Court House (JSCH) expires in August 2017 with no renewal option. This report assesses the short term solutions; the companion report addresses the long term solutions.

This report explores only the City's direct interests. It should be noted that the City has valued long-standing relationships with McMaster University (McMaster) and the Ontario Municipal Board (OMB). This report has not been vetted with these stakeholders. Consultations with McMaster and the OMB should be included in the next steps as this report is received and evaluated.

1.2. Background and Mandate

The City's POA office has been located in JSCH since the Provincial Offences Administration was turned over to the City in February 2000. The POA office has been instructed to explore the potential to create one additional courtroom and the necessary support spaces, and there is no space available in JSCH for an additional courtroom.

As identified in the Facilities Management and Capital Projects Charter, staff was directed to:

- "Investigate the feasibility of part-time, temporary locations for the Provincial Offences Administration Court House, specifically the existing Stoney Creek, Dundas and Glanbrook Municipal Service Centres and report back to the Audit, Finance & Administration Committee."

Beyond this direct request, we understand that the direction to investigate a temporary location involves a temporary location for only the single additional court room and the spaces necessary to support it. Further, we understand that the City wishes to explore the viability of the OMB Hearing room in its building at 50 Main Street East for POA functions, given that it was formerly a Court House and the lease to McMaster has expired.

POA Short Term Feasibility Study
MHPM doc 810304-0007(5.0)

1.3. Findings

It is not physically possible to build a temporary court room and required support spaces at the Dundas Municipal Service Centre or at the Glanbrook Municipal Service Centre, and it is only possible to build a court room at the Stoney Creek Municipal Service Centre by reducing space standards. 50 Main St E can accommodate a temporary court room. However, it is not economically feasible to build a temporary court room at 50 Main Street E or at the Stoney Creek Municipal Service Centre.

Our assessment of financial feasibility is based on revenue information obtained through interviews with City staff. Based on this information we have assumed that an additional court room could increase revenue based on 80 charges resolved per day, an average fine of \$140 and 140 additional hearing days per year. Based on these assumptions, the incremental revenue derived from building a temporary court room is not sufficient to offset the total project cost to build a temporary court room.

1.4. Summary of Analysis

The table below illustrates the key parameters for assessing the physical capability of each of the options.

| Minimum Requirements | Option 1 50 Main Street E | Option 2 Stoney Creek | Option 3 Dundas | Option 4 Glanbrook |
|-------------------------------------------|------------------------------------------|----------------------------------|----------------------------|-------------------------------|
| Space Available (sq. ft.) ¹ | 5,800 | 4,800 | 5,048 | 1,820 |
| Provides 5,300 sq. ft. of space? | Yes | Constrained ² | No | No |
| Can be configured for court functions? | Yes | Yes ³ | No | No |
| Ability to provide building security? | Yes | Partial | No | No |
| Conforms to BFDG Accessibility standards? | Yes | Yes ⁴ | No | No |
| Absence of heritage feature issues | No | Yes | No | Yes |

¹ Includes all spaces.

² Requires making use of atrium spaces and substandard room areas.

³ Requires smaller interview rooms and waiting area.

⁴ Requires reconstruction of council chamber to create a level floor.

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Options 3 and 4 were discarded because they were clearly not capable of accommodating a temporary court room. Options 1 and 2 were explored further although it is recognized that Option 2 is constrained in its ability to meet security and barrier free requirements.

The table below summarizes the key factors considered in our detailed analysis.

| | Option 1 50 Main St E | Option 2 Stoney Creek Municipal Service Centre |
|-----------------------------------------|----------------------------------|---------------------------------------------------------------|
| Capital Cost⁵ | \$1.9M | \$1.4M |
| Net Area Proposed (sq. ft.) | 5,800 | 4,800 |
| Cost/ sq. ft. | \$325 | \$310 |
| Revenue | \$1.30M | \$1.30M |
| Net Benefit (Cost) in Short Term | (\$0.60M) | (\$0.15M) |
| Earliest Availability | May 2015 | May 2015 |
| Ability to Attract JPs | Medium | Low |
| Disruption to City Services | Low | Medium |
| Preferred Solution | No | No |

Neither Option 1 nor Option 2 can generate more revenue than the total project cost to build a temporary court room.

Therefore we recommend that the City should not pursue the development of a temporary court room and should focus on developing a long term solution.

Opportunities to provide additional courtroom days should be explored as an alternative to increase the POA trial throughput. Our interviews identified that a proposal to convert Parking Operations hearings to an administrative penalty process would free up four “tiers” of courtroom time per month. This time could be allocated to POA trial purposes and would provide some relief from immediate pressures.

⁵ Costs are cited at +25% margin of error.

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2. Project Understanding

The City's Provincial Offences Administration Office (POA office) has been located in the John Sopinka Courthouse (JSCH) since the Provincial Offences Administration was turned over to the City in February 2000. The City leases space for administration, prosecutors, courtrooms, other necessary support infrastructure and a retiring room for the Justices of the Peace but no room is available for expansion and the lease will expire on August 31, 2017. The City is actively seeking a long term accommodation solution. At the same time, the POA office has been instructed to explore the potential to create one additional courtroom and the necessary support spaces. There is no space available in JSCH for an additional courtroom.

This report is the first of two reports commissioned to provide direction to satisfy the short term and long term needs of the POA Office. This report assesses the short term solutions; the companion report addresses the long term solutions.

As identified in the Facilities Management and Capital Projects Charter, staff was directed to:

- "Investigate the feasibility of part-time, temporary locations for the Provincial Offences Administration Court House, specifically the existing Stoney Creek, Dundas and Glanbrook Municipal Service Centres and report back to the Audit, Finance & Administration Committee."

As an elaboration of the mandate, we understand that the direction to investigate a temporary location involves a temporary location for only the single additional court room and the spaces necessary to support it. The single additional courtroom would be dedicated to processing Early Resolutions. Further, we understand that the City wishes to explore the viability of the OMB Hearing room in its building at 50 Main Street East for POA functions, given that it was formerly a Court House and the lease to McMaster has expired.

Note: In the preparation of this report we have focused on the City's direct interests. The City has valued, long-standing relationships with McMaster University (McMaster) and the Ontario Municipal Board (OMB) related to their use of 50 Main Street E. This report has not been vetted with these stakeholders. Consultations with McMaster and the OMB should be included in the next steps as this report is received and evaluated.

3. Methodology

The following approach was used to complete the short-term feasibility study:

- We reviewed examples of Provincial Offences Offices and Court Houses in other municipalities to identify benchmark standards.
- We examined the proposed temporary locations (the existing Stoney Creek, Dundas and Glanbrook Municipal Service Centres and 50 Main Street East) to assess the available space, the potential to relocate tenants and the suitability of the available space for short term use in the context of the Province of Ontario Architectural Design Standards for Court Houses. The City's Barrier Free Design Guidelines (BFDG) were used as the guiding standard for accessibility to the best extent possible when considering retrofit spaces with any deviations specifically noted.
- In parallel with the item above, we conducted interviews with the POA and Real Estate stakeholders to define the mandatory and preferred requirements for the temporary conditions, leveraging the previously developed benchmark standards.
- We calculated space requirements by taking the net spaces required (measured to the interior walls of a room) and adding a circulation factor of 40% at Stoney Creek and 45% at 50 Main Street E to reflect the space inefficiencies of a greater re-use of existing office spaces in that location.
- Where proposed temporary locations were capable of accommodating POA functions, we developed a scope of work and an order of magnitude cost estimate to create one new courtroom (and necessary support spaces).
- Project costs reported here are based on an order of magnitude estimate that is considered to be within +/- 25% of the ultimate project cost. Project costs are reported as the high end of that range as the appropriate value for a budget allocation.

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- Project costs include construction, design fees (8%)⁶, project management costs (7%)⁷, contingency (15%)⁸ and relocation costs of \$5,000⁹. Furniture, fittings and equipment is excluded from the cost estimates.
- Construction cost estimates reflect a blended cost per square foot of construction comprised of the following (as applicable):
 - \$25/sq.ft. for complex demolition, selective in some instances and including steel framed spaces;
 - \$30/sq.ft. for mechanical and shell upgrades;
 - \$200/sq.ft. for core and shell new construction;
 - \$80/sq.ft. for standard office fit-out;
 - \$200/sq.ft. for courtroom interior fit-out, due to high quality of finishes and extensive millwork.

⁶ A Design fee of 8% is typical for interior renovations that would require only minor structural engineering.

⁷ Project management fees are as advised by the City.

⁸ A contingency of 15% is typical for a renovation were existing building conditions are unknown.

⁹ We assume relocation costs include only contents and not furniture which would be provided new.

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4. Short Term Options

This report examines the feasibility of providing a single temporary courtroom and the required support spaces with a view to accommodating Early Resolutions. **Appendix A – Current State and Future Needs** describes the functional requirements and documents the space standards. **Table 4.1 below** shows the detailed minimum short term space requirements for constructing a single courtroom at a location separate from JSCH.

| Table 4.1 – Space Analysis | | | | |
|-----------------------------------------------|--------------------|------------|----------------|--------------------------------------------------------------------------------------------------------------|
| SPACE USE | UNIT Sq.Ft. | Qty | Sq. Ft. | NOTES |
| Courtroom- Large | 1,630 | 1 | 1,630 | MAG G7 Non-Jury Courtroom with public seating for 65. Assume public washrooms provided in existing facility. |
| Interview Room | 135 | 4 | 540 | BFDG compliant |
| Justice of the Peace Office | 177 | 1 | 177 | MAG H16 |
| Justice of the Peace Meeting/Lunchroom | 160 | 1 | 160 | Single User |
| Justice of the Peace Washroom | 46 | 1 | 46 | MAG M34 (1.5m dia.) – not compliant with BFDG (1.93m dia.) |
| Lobby/Waiting Area | 592 | 1 | 592 | MAG G59 10.8sq.ft./seat (55 seats) |
| Building Security | 25 | 1 | 25 | |
| Prosecutor Office | 168 | 1 | 168 | Current size of prosecutor office (14X12), can accommodate up to 2 individuals. |
| Court Reporter workspace | 48 | 1 | 48 | Touchdown workspace (6' x 8' per City standard) |
| Lunch Room | 43 | 1 | 43 | MAG I49 + K19 (10.8sft/person incl. counter). 4 people, shared with Special Constable |
| Print/copy area | 35 | 1 | 35 | |
| Special Constable-Kitchenette | 0 | 0 | 0 | Share with POA Staff- court reporter, prosecution |
| Special Constable-Washroom + Lockers | 86 | 2 | 171 | MAG M34 + MAG I49. Shared with Court Reporter + Prosecutor |
| | | | 3,635 | subtotal |
| | | | 5,271 | Total with circulation (45%) |

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The key functional requirements for a single courtroom were identified as follows:

- One large courtroom
- Four interview rooms
- One Justice of the Peace office
- One Justice of the Peace lunch/meeting room
- One Prosecutor office
- One Court Reporter touch down workstation
- One Printer/copy area
- Lobby/waiting area sufficient for approximately 55 seats
- Building security
- Separate Justice of the Peace Building Access
- Secure parking for Justice of the Peace

We understand that the intended functions of the temporary court room would not include provision for in-custody defendants and thus there would be no requirement for a Sally Port, cells, prisoner administration or secure passageways for prisoners to access the court.

The total gross area required for these spaces is 5,300 sq. ft. Where facilities had smaller spaces available, consideration was given to splitting functions that could be separated.

The table below summarizes the suitability of each assessed location against the minimum requirements:

| Minimum Requirements | Option 1 50 Main Street E | Option 2 Stoney Creek | Option 3 Dundas | Option 4 Glanbrook |
|-------------------------------------------|------------------------------------------|--------------------------------------|----------------------------|-------------------------------|
| Space Available (sq. ft.) ¹⁰ | 5,800 | 4,800 | 5,048 | 1,820 |
| Provides 5,300 sq. ft. of space? | Yes | Constrained ¹¹ | No ¹² | No |
| Can be configured for court functions? | Yes | Yes ¹³ | No | No |
| Ability to provide building security? | Yes | Partial | No | No |
| Conforms to BFDG Accessibility standards? | Yes | Yes ¹⁴ | No | No |
| Absence of heritage feature issues | No | Yes | No | Yes |

For those options where sufficient space is available, further discussion of site suitability and corresponding cost estimates to fit out the space is provided below.

4.1. Option 1 - Court House, 50 Main Street East **Not Financially Feasible**

4.1.1. Overview

While a temporary court room and the required support spaces can fit in the existing building at 50 Main Street E, the cost of construction would be greater than the revenue generated by providing a temporary court room.

4.1.2. Ability to Accommodate Court Functions

The first floor OMB hearing room is approximately 1,700 sq. ft. and offers sufficient space to accommodate a large PO courtroom. Appendix B shows a test fit concept plan for a temporary PO courtroom and its ancillary spaces at 50 Main

¹⁰ Includes all spaces.

¹¹ Requires making use of atrium spaces and substandard room areas.

¹² While total area is close to the required space, there is no space large enough for the court room.

¹³ Requires a smaller interview rooms and waiting area.

¹⁴ Requires reconstruction of council chamber to create a level floor.

St E. This plan is designed to minimize cost by re-using existing rooms where possible. A security checkpoint has been proposed in the existing corridor to secure the entire temporary court area and supporting spaces. A secure hallway for judicial access is provided.

Adjacent to the OMB hearing room is McMaster tenant space, currently used for offices. Approximately 3,300 sq. ft. of McMaster space could be reconfigured to accommodate the needed ancillary courtroom spaces. This includes the Justice of the Peace's Office, washroom, and lunch/meeting room, the prosecutor's office, court reporter workstation, public waiting area, public washrooms (required as current washrooms are outside security checkpoint) and four interview rooms. Note that the interview rooms are irregular in size to take advantage of existing rooms, resulting in some oversize rooms. Further analysis would be required to confirm compliance with the Barrier Free Design Guidelines.

This layout cannot accommodate a lunch room for the prosecutor or court reporter but a small copy/print area is shown which could accommodate a kitchen servery for coffee, etc.

The existing ground floor courtroom features extensive glazing across two sides. Security glazing would need to be installed to address window access threats, with significant window coverings to limit courtroom visibility from the exterior and distractions. There is presently no direct access from the parking level to the proposed restricted area for the Justices of the Peace. As such, an elevator would need to be installed, likely dropping into the basement level and consuming approximately 100 sq. ft. from facilities storage as a vertical penetration and for an elevator vestibule. A separate, secure parking area could be designated for the Justice of the Peace in the existing parking area under the building.

4.1.3. Current Use

McMaster currently occupies the majority of the building on lease over-hold. The City retains control of the OMB hearing room which is considered as a potential location for the Early Resolution courtroom. However, to provide support spaces necessary for the court function, the City would also need to reclaim adjacent spaces from the McMaster tenancy as shown in Appendix B. It is our understanding that the OMB hearing room is currently used 20-30 days per year.

4.1.4. Benefits

- The City owns this building and no acquisition time is required;

- The building is located in close proximity to the Provincial Court house, a benefit for:
 - Easier transferring of original court documents between the two courthouses for appeals;
 - The re-assignment of JPs by the MAG to Provincial Court Functions if a POA court date is not required or is completed early;
 - Security advantages with the ability to pool of special constables with the JSCH across the street;
 - The coordination of probation services which can reduce re-visits and gaps in probation.
- The location opposite the JSCH would make it more feasible to rent un-used court space to the Ministry of the Attorney General for use as overflow court rooms;
- It may be possible for the OMB to make use of a court room for hearings (subject to scheduling and approvals by the OMB) which would avoid the need to replace the OMB hearing room and create overall space efficiencies (the OMB hearing room is unused for much of the year);
- There is a potential to renovate the entire building and thus provide the City with additional owned space, allowing room for growth or potentially allowing other departments in leased space to reduce operating costs.

4.1.5. Key Risks

- Significant glazing throughout proposed courtroom space present security risk;
- A ground floor courtroom presents a security risk;
- Complex lease implications for negotiations with McMaster; McMaster may not agree to reduced space while maintaining the balance of their tenancy;
- This building is listed on the Inventory of Buildings of Architectural and/or Historical Interest for the bas-relief sculpture on the wall. In accordance with the Official Plan and the Downtown Secondary Plan, a Heritage Impact Assessment would be required prior to any development or redevelopment but this would not affect internal renovations.

4.1.6. Cost to Re-configure

The costs to reconfigure part of 50 Main Street East on a temporary basis to serve as a single POA courtroom and to provide the necessary ancillary spaces is shown below.

| | |
|----------------------------|---------|
| Capital Cost ¹⁵ | \$ 1.9M |
| Net Floor Area (sq. ft.) | 5,800 |
| Cost per Square Foot | \$ 325 |

4.1.7. Potential revenues

We have assumed that the investment to fit out a temporary courtroom is justifiable only if the incremental revenue that can be generated by this single courtroom exceeds its capital costs. We understand the primary function of this temporary courtroom space to be for processing Early Resolutions and that approximately 100 charges could be processed per day, with 80 charges per day resolved and an average revenue per charge of approximately \$140. Under its lease terms, POA currently operates Court Room 326 for Early Resolution 60 days per year. We have assumed that a new single courtroom could operate 200 days per year, an increase of 140 days per year. We have therefore assumed an incremental revenue earning potential of \$1.57M per year. This incremental revenue would be received during the period between the completion of the temporary court room (May 2015) and the completion of the permanent facilities in March 2016 (see companion report). Over this 10 month period, an additional \$1.30M would be generated.

4.1.8. Timeline

The schedule below is indicative of a conservation approach for Option 1, assuming the project starts in May 2013 and allowing for typical City timelines for design and approval stages. We have assumed a prime consultant would be procured from the roster. From initiation of prime consultant procurement to occupancy, the total project duration is 24 months with completion in May 2015.

¹⁵ Recommended budget amount based on our cost estimate + 25% margin of error.

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Table 4.1.8 – Timeline – Option 1



4.1.9. Conclusion

While Option 1 is physically possible to accommodate a temporary court room at 50 Main Street E, the incremental revenues of \$1.30M are substantially less than the \$1.9M cost of the project and thus this Option is not financially feasible.

To test the sensitivity of this conclusion we have determined that there would need to be an additional five months of incremental revenue for this Option to break even. This means that Option 1 would break even if the completion of the permanent facilities was delayed to October 2015 and would be a net benefit if it were delayed longer. The maximum delay would occur if the completion of the permanent court facilities were delayed until the end of the current lease (August, 2017). This would leave approximately 26 months of income generated and would result in revenue of \$3.4M and a net benefit of \$1.48M.

4.2. Option 2 - Stoney Creek Municipal Service Centre, 777 Hwy #8 **Not Financially Feasible**

4.2.1. Overview

The Stoney Creek Municipal Service Centre is not well configured for use as a temporary court room because it is impossible to provide the required secure parking for a Justice of the Peace. The space available requires some spaces to be less than the required standard size to fit the use. There is no capability to include a public washroom in the secure area of the court room. Finally, the cost of construction would be greater than the incremental revenue.

4.2.2. Ability to Accommodate Court Functions

The first floor council chamber provides approximately 2,600 sq. ft. which can accommodate a court room. The room could be divided lengthwise to create a court room about 28 ft. wide, leaving space for an access corridor and interview rooms. The chamber audio room could be expanded into the Saltfleet meeting room to provide the Justice of the Peace office, lunch area, and private washroom. The corridor connecting to the library services would need to be closed off and secured for Justice of the Peace use only (emergency exiting could be permitted). The balance of the Saltfleet meeting room and some of the lobby space would be built out for the prosecutor/court reporter work areas, lunch area, print/copy area, and a special constable locker/change room. The remaining lobby area would be public and serve as a waiting area (with 40 seats vs. 55) and building security point.

To accommodate the POA Office functions 900 sq. ft. of the existing lobby would need to be converted into security areas and public waiting areas to produce a total area of approximately 4,800 sq. ft. This is approximately 500 sq. ft. smaller than the calculated short term courtroom needs and would require:

- Smaller corridors to achieve a 40% circulation rate (vs. 45%);
- Reducing the size of the waiting area by 15 seats;
- Reducing the size of some interview rooms (they would meet the MAG standards but would not comply with City's accessibility standards);
- Omitting public washrooms within the secured area of the court room.

These space reductions are illustrated in the test-fit concept plan shown in Appendix C and described below.

There are no windows in the Council Chamber so courtroom security is maintained. There is a second chamber entrance for the Justice of the Peace, and, by building a new secure corridor, the emergency exit could also serve as a private building entrance for the Justice of the Peace. All building parking is outdoor and it would be impossible to create a secured parking area for the Justice of the Peace.

The floor of the chambers slopes downward, dropping about 2 ft. from the main entrance toward the rear of the room. MAG standards (G19) stipulate that the inner court (the Justice of the Peace, Defense Attorney, Prosecution, Court Reporter etc.) is to be at the same level as the remainder of the courtroom. Converting this space to courtroom standards would therefore require construction of a false floor to create a level space. The height and symmetry of the Council chamber ceiling may make it difficult and will certainly make it more costly to develop an appropriate court room appearance.

4.2.3. Current Use

The Stoney Creek Municipal Service Centre chambers are presently used a few times a month for planning department meetings. It was noted that the chambers are currently used by ward councilors for occasional meetings. We understand that the Saltfleet Room is a bookable community room.

Conversion of part of the Stoney Creek Municipal Service Centre will remove community meeting spaces and will impinge on the appearance of the lobby of the building.

The Stoney Creek Municipal Service Centre building is also occupied by the library and Municipal Service Centre. Some portions of the building are leased to the RCMP until May 31, 2022 with no option for early termination. These uses would not appear to be impacted by the conversion to POA Office functions.

4.2.4. Benefits

- Council chamber is large enough to accommodate the court room;
- A secured exit can be provided for the Justice of the Peace;
- The lobby has sufficient space to accommodate a secured court waiting area.

4.2.5. Key Risks

- Ground floor courtroom and Justice of the Peace Offices result in reduced security control;

- Public perception may be influenced by sharing space with RCMP as upper level tenants;
- It will be difficult to attract Justices of the Peace because there is no underground or secured parking available and because the site is remote from the Provincial court house;
- Staff travel between current facility and Stoney Creek site would require personal transport of original court documents; consideration for mileage allowances and possible overtime payment for travel time may be required;
- Community services would be downgraded because two bookable community meeting rooms would no longer be available for community use;
- Two interview rooms do not meet the BFDG standards;
- The building is relatively remote, de-centralized building location, but accessible with bus service.

4.2.6. **Cost to Re-configure**

| | |
|----------------------------|----------|
| Capital Cost ¹⁶ | \$ 1.46M |
| Net Floor Area (sq. ft.) | 4,800 |
| Cost per Square Foot | \$ 310 |

These costs include the reconfiguration of the main floor of the Stoney Creek Municipal Service Centre to serve as a POA courtroom and the necessary ancillary spaces. We have assumed there is a need for mechanical upgrades to serve this space.

4.2.7. **Potential revenues**

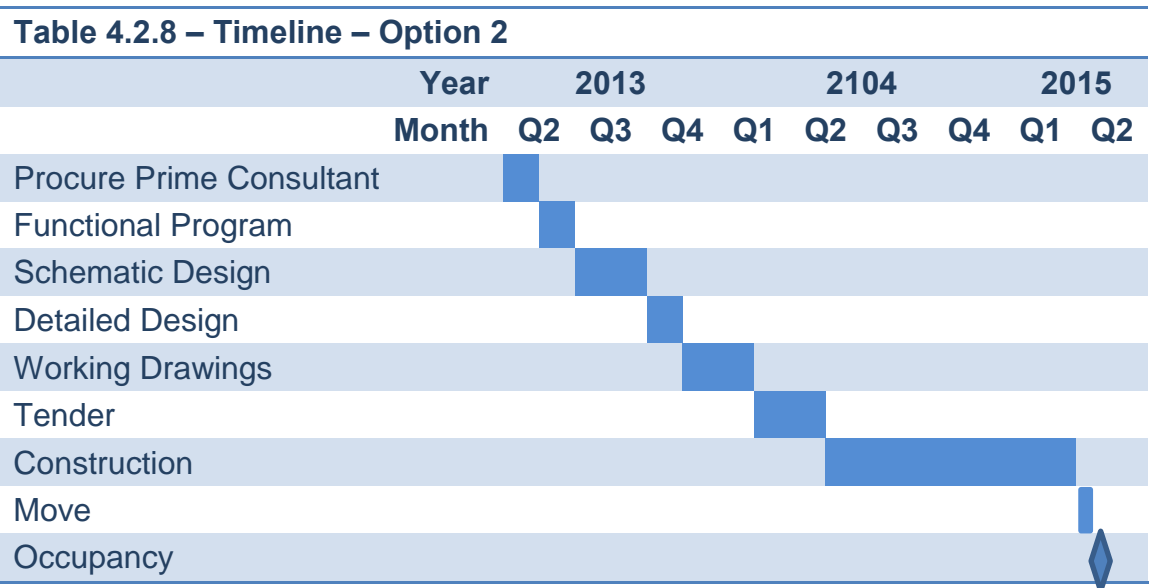
Applying the same analysis as used for assessing the viability of 50 Main St E for a short term courtroom, the incremental revenue generation potential of a single courtroom at Stoney Creek from May 2015 to March 2016 is \$1.30M.

4.2.8. **Timeline**

The schedule below is indicative of a conservative approach for implementing a temporary POA Office facility at the Stoney Creek Municipal Service Centre and

¹⁶ Recommended budget amount based on our cost estimate + 25% margin of error.

allows three months for City decision-making from April-May 2013. From initiation of prime consultant procurement to occupancy, the total project duration is 25 months.



This schedule would see the temporary court rooms open in May 2015.

4.2.9. Conclusions

Option 2 can be configured for temporary court room purposes if some spaces are reduced below the established space standards, if additional area is taken from the atrium, if currently bookable rooms are given over to court purposes, and if unsecured parking is acceptable for the Justice of the Peace. This Option is not financially feasible because the incremental revenues of \$1.30M are less than the \$1.46M cost of the project.

To test the sensitivity of this conclusion we have determined that there would need to be an additional one month of incremental revenue for this Option to break even. This means that Option 2 would break even if the completion of the project were delayed to April 2016 and would be a net benefit if it were delayed longer. The maximum delay would occur if the completion of the permanent court facilities were delayed until the end of the current lease (August, 2017). This would leave approximately 26 months of income generated and would result in revenue of \$3.40M and a net benefit of \$1.94M.

4.3. Option 3 - Dundas Municipal Service Centre, 60 Main Street **Not Physically Possible**

4.3.1. Ability to Accommodate Court Functions

The first floor Council Chamber provides approximately 1,162 sq. ft. of net space, which is insufficient to accommodate a large courtroom (1,630 sq. ft.). Further, the council chamber is octagonal in shape, featuring full-height windows at each apex, and offers no secondary access point (other than one emergency egress). This leaves no separate access point for the Justice of the Peace to enter the courtroom which is a fundamental requirement for court rooms. We understand the building envelope is heritage designated, thereby severely constraining any exterior works. The shape of the room, the prevalence of windows, the lack of separate access, and the inability to modify the building exterior render this space unsuitable for fit-out as a courtroom.

The second floor features a 2,200 sq. ft. (net) open hall, currently described as rentable meeting area, with four large windows on either side of the room. The ends of the room are flanked with staircase access – one as a double wide emergency egress; the other includes a small lobby, washrooms, and a kitchen area. The total useable area including kitchen, lobby, and washroom functions is approximately 2,800 sq. ft. Even when applying a reduced circulation rate of 30% and when considering the primary court functions alone (courtroom, Justice of the Peace office/meeting, Justice of the Peace washroom, lobby/waiting area, interview rooms, security, and public washroom for single floor) could not be accommodated. As such, this space is rendered unsuitable for fit-out as a courtroom.

4.3.2. Conclusion

The Dundas Municipal Service Centre is not capable of accommodating a temporary court room.

4.4. Option 4 - Glanbrook Municipal Service Centre, 4280 Binbrook Road **Not Physically Possible**

4.4.1. Ability to Accommodate Court Functions

The former Council chamber provides approximately 1,207 sq. ft. of space, which is insufficient to accommodate a large courtroom (1,630 sq. ft.). Further, the proportions are inappropriate for court purposes and would not allow efficient use of the space. The Council chamber is roughly square with two opposing sides truncated. One of the truncated sides is curved glass wall behind the former councilor seating area. While this is the natural location for the Justice's dias because it is opposite the entry, there is insufficient distance between the door and the back wall to accommodate the normal court functions. This room also steps down from the door to the Council seating area which is not an acceptable configuration for a court room.

In addition to the shortfall in the Council chamber, there is insufficient area for the balance of the court functions without displacing the Municipal Service Centre. We understand that this would not be acceptable. We assessed the potential to displace other functions but these spaces would have an inappropriate relationship to the court room. Therefore, it is clear that the Glanbrook Municipal Service Centre would not be able to accommodate the POA Office functions. No further analysis was conducted.

4.4.2. Conclusion

The Glanbrook Municipal Service Centre is not capable of accommodating a temporary court room.

5. Conclusions and Recommendation

Four potential locations for a temporary court room were assessed to determine if they could physically accommodate the court room and the necessary ancillary spaces. Two sites, the Dundas Municipal Service Centre (Option 3) and the Glanbrook Municipal Service Centre (Option 4) cannot accommodate the required court functions.

The remaining potential locations were assessed to determine whether they could accommodate all other requirements for the court functions, to assess the impact on the host facility, and to determine if a temporary court room could be financially viable. 50 Main Street E (Option 1) can accommodate the court functions well. The Stoney Creek Municipal Service Centre cannot accommodate these functions but with some deficiencies in space and security standards. Further, the existing functions in the Stoney Creek building would be impacted by the extension of the court functions into the existing atrium.

Neither the Stoney Creek Municipal Service Centre, nor the 50 Main Street E location is financially feasible based on our assumptions about the revenue generated and the time between the completion of the temporary court room and the completion of the long term POA Offices.

Based on a sensitivity analysis, Options 1 and 2 would financially viable if the completion of the long term solution were delayed by at least five months and one month respectively. We do not recommend delaying the completion of the long term solution. It must be noted that there is a significant additional requirement for capital investment to create a temporary court room. Much of that investment would be wasted by discarding the temporary court room after only ten months.

We note that the analysis and conclusions may change if there were funding from a senior government to support the cost of constructing a temporary court room. In that case careful consideration must be given to the relative value of completing a temporary solution that may only be in service for ten months before a permanent solution is in place.

Consideration should be given to expediting a permanent solution and thereby starting to receive the revenue stream earlier.

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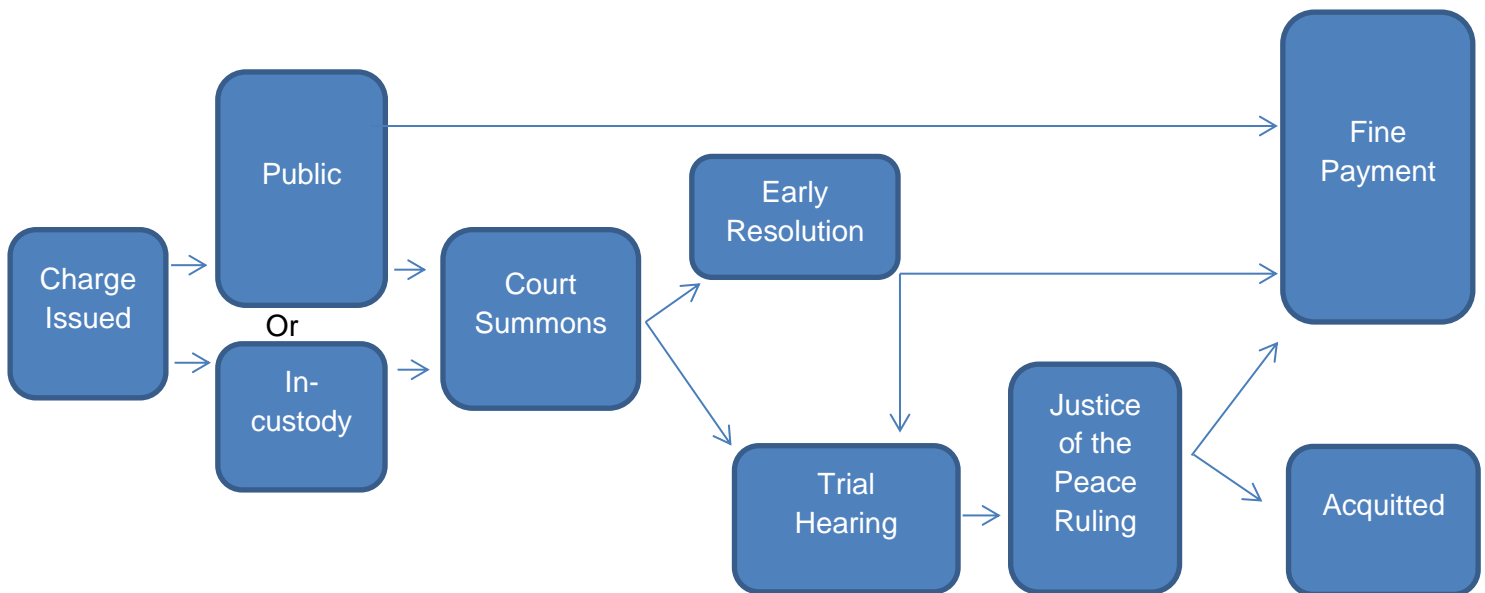
Through staff interviews, it was noted that Parking Operations currently holds trials twice a month in two morning slots (9am and 10:30am) in Courtroom Room 320. It is understood that Parking Operations may have the option of converting to an administrative penalty process whereby there would be no need for trials to be held in a Provincial Offences courtroom. In the interest of providing space in the short term and thereby increasing the current POA trial throughput, proceeding with the conversion to an administrative penalty process would provide POA with an additional four "tiers" of courtroom time per month.

Appendix A - Current State and Future Needs

1. Business Processes

To understand current space use for the Provincial Offences (PO) functions in the John Sopinka Courthouse (JSCH) at 45 Main St E, an interview was held with Wendy Mason, Manager of Provincial Offences Administration (POA) on February 13, 2013. Erika Liao, Accommodations & Design Coordinator with City of Hamilton Facilities Management and Capital Programs, also attended. The interview was followed by a walkthrough of the POA offices and courtrooms. Gary Murphy, Supervisor of Prosecutions, also participated in the walkthrough.

From these interviews, it is our understanding that Provincial Offences are currently processed as follows:



The above noted process involves the following judiciary and staff user groups and corresponding key workspaces:

| Table A.1 – Staff Groups and Spaces | |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| Department/Personnel | Workspace |
| Justices of the Peace | Courtroom, chambers, retiring room, primary intake, lunchroom/ meeting room |
| Prosecution | Courtroom, interview room, early resolution room, offices, workstations, meeting room, library, lunchroom, print & copy, file storage |
| Police Services/Special Constables | Courtroom, building entrance/perimeter, lunch room, locker room |
| Court Administration | Offices, workstations, public reception/queuing, meeting room, lunchroom, exhibit storage, vault, print & copy, file storage |

Below are detailed notes describing the current state for each of the above user groups, including needed changes or improvements in a permanent new location. The detailed space needs for short term accommodations are included in **Table 4.1** of the report. A circulation rate of 45% and gross up factor of 20% was applied for temporary space need calculations. The circulation rate reflects the proportion of open spaces (waiting area, lobby) and high pedestrian traffic rates throughout the public side of the facility. Furthermore, the need for separate paths of travel for public, prisoners, and judiciaries demand multiple independent corridors, and hence a higher circulation rate than typical office uses. It was assumed that a newly constructed facility would need to comply with the City’s Barrier Free Design Guidelines and AODA standards (whichever is more stringent). To the best extent possible, these standards were also applied for retro-fit space and cost calculations. Any deviations from these standards in retrofit scenarios are specifically noted.

2. Court Facilities

The Provincial Offences Offices use standard, non-jury courtrooms. It was confirmed that there is no need for:

- Jury, family, or child-friendly courtrooms;
- Motions/settlements rooms;
- Justice of the Peace Bail Office

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- In-custody-video rooms.

The Manager of POA estimates that approximately 10% of charges are processed through early resolution, a process aimed at reducing the number of charges brought to trial. It is expected that this approach could be used for more charges if adequate facilities were available. The intent of the single additional courtroom is to process early resolutions only, working to reduce the overall backlog of cases and increase revenue.

The needed courtroom size for this function is similar to the current large courtroom (Room C300).

2.1 Court Rooms

The proposed sizing of the new single courtroom relative to MAG courtroom size standards is shown here:

Table A.2.1 – Temporary Courtroom Requirements

| Courtroom Name | MAG Standard Size (sq.ft.) | JSCH Size (sq.ft.) | Current No. of Courtrooms | Proposed No. of Temp. Courtrooms | Proposed Courtroom Size (sq.ft.) |
|-----------------------|-----------------------------------|---------------------------|----------------------------------|-----------------------------------------|-----------------------------------------|
| Large (Alternate) | 1,465 | 1,630 (C300) | 1 | 1 | 1,630 |

2.2 Interview Rooms

Adjacent to each courtroom are interview rooms. Interview rooms provide a private meeting space for attorneys, paralegals, and defendants. Standard courtrooms typically have two adjacent interview rooms, while alternate (large) courtrooms provide four interview rooms. The MAG standard for interview rooms (97sq.ft.) does not comply with the City’s BFDG standards which would require a larger 135 sq.ft. room to accommodate two wheelchair/scooter users in the interview room at the same time.

2.3 Early Resolution Rooms

Currently two of the interview rooms are used for early resolution consultations. Prosecutors meet with the accused and their attorneys, interpreters and supporters for this process. The consultation room must be enclosed to ensure the privacy of the accused. There should be a division between accused and prosecutor and there should be separate access doors for prosecutors and accused for convenience and security. The space analysis assumes two of the four interview rooms would be used for early resolution purposes.

2.4 Attorney Cloak Room

Defense attorneys are not permitted to bring coats above the rail. Currently one of the interview rooms is set aside as for defense attorneys to use for coats

which is inefficient and defeats the purpose of the interview room. An attorney cloak room should be provided. Cloak rooms are not included in the short term space requirements.

2.5 Waiting Area

Outside of each of the courtrooms is a designated public waiting area, for defendants, their guests, and attorneys awaiting trial. The current waiting area at JSCH is reported to be under-sized with insufficient seating.

2.6 Holding Cells

On average, one in-custody defendant is currently seen each day in the POA courtrooms. Holding cells are required for prisoners waiting for their court hearing. With the intention of processing early resolutions only, and no prisoner traffic expected in a short term courtroom, a holding cell is not required as part of the temporary courtroom functions.

2.7 Sally Port

A sally port must provide secure building access for prisoners when transported to a courthouse. It allows a prisoner transport vehicle to enter through an overhead door which is closed to secure the area while prisoners are moved from the vehicle to the holding cell. With the intention of processing early resolutions only and no prisoner traffic expected, a sally port is not required as part of the short term courtroom functions.

2.8 Building Security Station

The building perimeter of a courthouse must be kept secure with metal detection devices and special constable screening stations at public entrances. Special constables man the building security station, escort prisoners, and respond to on-site emergencies.

2.9 Special Constable Support Spaces

A locker room and small lunch area is required for special constables.

3. Justices of the Peace

With a stated need for an additional short term courtroom, one additional Justice of the Peace would be required. It was confirmed that Justices of the Peace do not have any designated secretarial staff and do not need a designated library space. It has been assumed that the short term court room would not be used for Provincial Court purposes.

| Table A.3 – Justices of the Peace | | | |
|------------------------------------------|----------------|----------------------------|---------------------------------------------------------|
| Position | Current | Short Term Forecast | Workspace |
| Justice of the Peace | 3 | 4 | Office and Washroom (14.4 ft. x 23.7 ft.) ¹⁷ |

Justices of the Peace and Judges require the following restricted access ancillary spaces:

3.1 JP Offices

The MAG standard requires a private office and attached private washroom for each Justice of the Peace.

3.2 Lunch/Meeting Room

A private lunch and meeting room must be provided to MAG standards. A lunch/meeting room sized for a single user has been used for the temporary solution.

3.4 Washrooms

The office standard for JOPs requires private washrooms for Justice use only. The MAG standards for the private washroom meet building code standards for accessibility but do not conform to the City’s accessibility standard. For the temporary solution, the smaller MAG standard may be considered.

3.5 Retiring Room

Retiring rooms are required when the judiciary’s office is not within close proximity to the courtroom. The retiring rooms provide judiciaries with a private break room during a recess, or when court is not in session. For the purposes of this study, it has been assumed that retiring rooms are not required and that chambers would be provided within close proximity of each courtroom.

3.6 Secure Parking

Secure underground parking is to be provided for each Justice of the Peace with direct and private building access.

¹⁷Assumed MAG office standard H2 for Judges, such that the courthouse will have the capacity to process appeals with visiting Judges.

4. Administration

The POA office space in the JSCH is currently shared between the Prosecution Unit and the Administration Unit (including court reporters, collections). Following best practices observed on new POA facilities in other municipalities, the Prosecution Unit should operate separately from court administration. This section presents only the Administration Unit functions.

4.1 Office Administration

No office administration staff would be required for a short term courtroom.

4.2 Collections

The following table shows current staffing and City workspace standards for collections.

| Position | Current Staff | 5-Year Staff Forecast | Workspace |
|-------------------------|----------------------|------------------------------|----------------------|
| Collections Coordinator | 1 | 1 | Workstation (8 x 10) |
| Collections Clerk | 3 | 3 | Workstation (8 x 10) |

No collections staff would be required on-site for a short term courtroom.

4.3 Court Reporters

The following table shows current staffing and City workspace standards for court reporters. We understand that one additional courtroom would require a touch-down work area for a single court reporter.

| Position | Current Staff | Temp Courtroom Forecast | Proposed Workspace |
|-----------------|----------------------|--------------------------------|---------------------------------------------------------------------------|
| Court Reporter | 4 | 1 | Workstation (8 x 6) – (touchdown space in addition to regular work space) |

Court reporters are frequently in and out of the courtroom and their time at a desk is spent listening to court recordings and transcribing records. Ideally, the touch-down workstation will afford some level of privacy and quiet working area.

4.4 Exhibit Room

The exhibit room is used to store evidence or other physical materials needed in court proceedings. This room is most frequently used by the court reporters and is ideally within close proximity to their workspace. It has been determined that an exhibit room would not be required as part of the temporary courtroom requirements.

4.5 Print/Copy Room

A small print/copy area (35 sq.ft.) would be needed and has been accounted for in the short-term space requirements, to be shared with prosecution.

4.6 File Storage

It was confirmed that there is no need for file storage at a temporary court room site and all documents would be transported to and from the site on a daily basis as required.

4.7 Vault

No vault is required at a temporary court room site as no payments are processed.

5. Prosecution

The Prosecution office space in the JSCH is currently shared with the Administration Unit but following best practices, these spaces should be separated. This section presents only the Prosecution functions.

5.1 Office Space

A workspace for a single prosecutor would be required to support a temporary court room, with sufficient room for two prosecutors to work at the same time on occasion. City of Hamilton office standards have been accounted for (12 x 14) in the short term space analysis.

5.2 Prosecution Library

An informal Prosecution library is currently provided in a meeting space of approximately 145 sq. ft. that used to function as an early resolution interview room. No prosecution library would be required to support a temporary courtroom.

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5.3 Print/Copy Room

A small print/copy area (35 sq.ft.) would be needed and has been accounted for in the short-term space requirements, to be shared with the court reporter.

5.4 File Storage

It was confirmed that there is no need for file storage at a temporary court room site and all documents would be transported to and from the site on a daily basis as required.

6. Ancillary Spaces

Notwithstanding the need to separate POA Administration from Prosecution, the following ancillary office functions can continue to be shared between Prosecution and Court Administration

6.1 Lunch Room

The lunch room is currently shared by Prosecution and POA administration and a small shared lunch area could continue to be shared in a short term location. It would need to accommodate a staff compliment of up to four, as it would also be shared with the special constables for space efficiencies given the low volume of users.

6.2 Meeting Room

No shared meeting space would be required for the prosecutor or court reporter to support the operation of a short term courtroom.

6.3 Public Reception- POA Lobby

POA currently receives public visitors for fine payment and general POA inquiries, however as there is no POA required to support a short term courtroom, a designated queue lobby for visitors is not required. (See Appendix A 2.5 for a discussion of waiting areas for courtrooms.)

6.4 Staff Washrooms

The staff washrooms are currently shared between Prosecution and Administration and it is acceptable to continue sharing facilities. Given the low volume of staff, the short term space needs have assumed that the prosecutor and court reporter would have a single unisex washroom. If an existing washroom is to be re-purposed, consideration may be given to having this room not in compliance with the BFDG standards.

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6.6 Public Washrooms

The public washrooms are currently shared with other MAG functions in JSCH. It has been assumed that court visitors and staff would use existing public washrooms in a retro-fit space.

7. Site

The POA is currently located in the downtown core with optimal public transit access. A short-term courtroom arrangement would ideally be centrally located and maintain this quality of public transit access. As per MAG standards, courtrooms are ideally located on a second floor or higher for improved security control. Justices of the Peace are provided with secure parking and separate building access from public use.

On-site parking for staff is not required other than has been specifically identified. The City provides a high standard of public parking throughout the downtown core and it is assumed that no on-site parking is required for clients at the downtown location. Parking would be required at the Stoney Creek location.

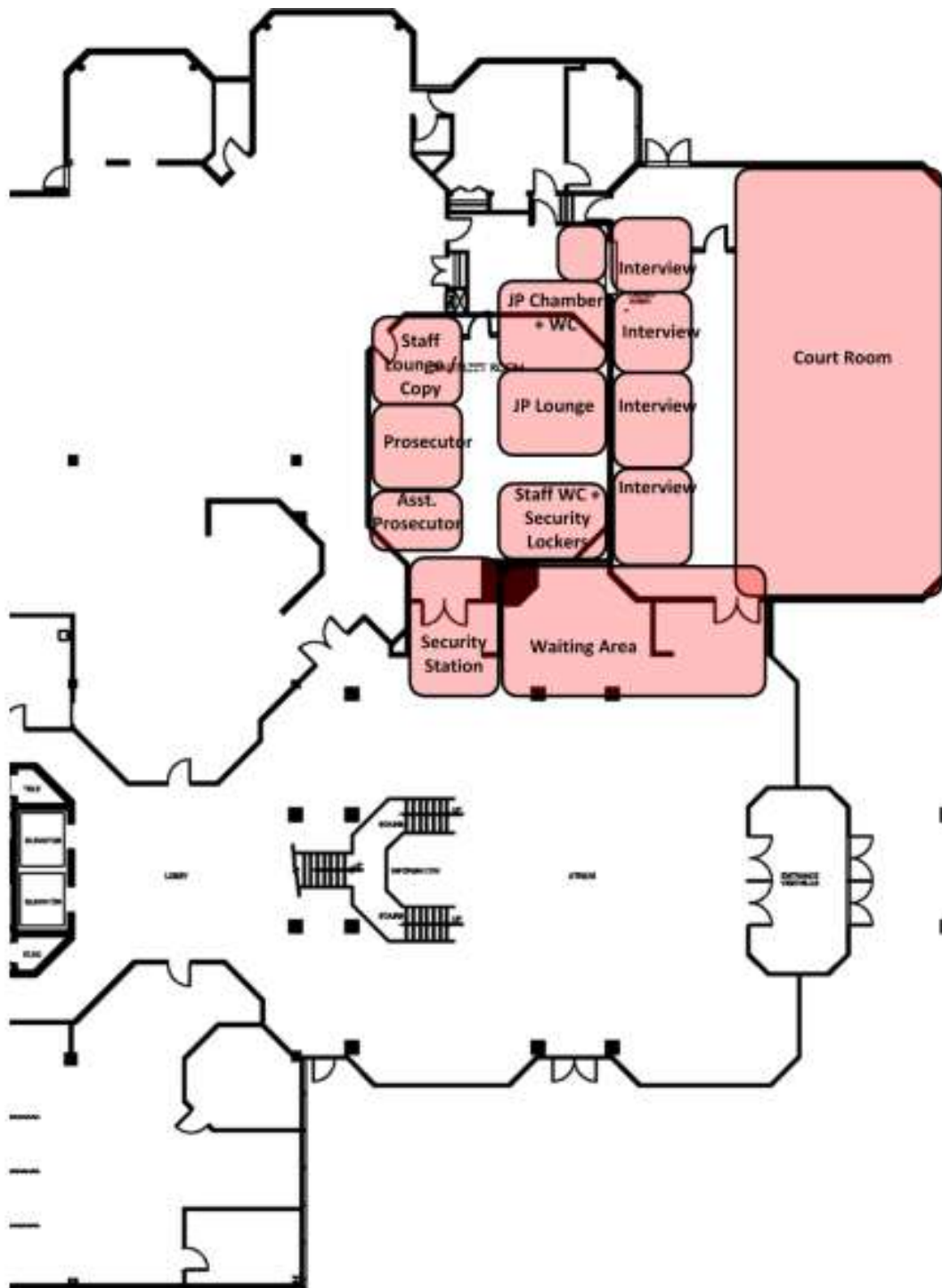
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Appendix B- 50 Main St E Short Term Courtroom Fit out Sketch



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Appendix C- Stoney Creek Short Term Courtroom Fit out Sketch





Provincial Offences Administration

Long Term Accommodation Feasibility Study

July 3, 2013
Revised September 12, 2013



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1. Executive Summary

1.1. Scope

This report is the second of two reports commissioned to provide direction to satisfy the short term and long term needs of the Provincial Offences Administration Office (POA Office). The companion report explores short term opportunities to create one additional, temporary courtroom and the necessary support spaces to address the lack of courtroom space in the John Sopinka Courthouse (JSCH). This report explores the long term solutions to address the expiry of the City's POA Office lease at JSCH on August 31, 2017. One of the long term solution options is the renovation of the City's building at 50 Main St E to accommodate the POA Offices, but the City has also expressed an interest in selling this building. Therefore, this report also includes our analysis of the options of retaining or selling 50 Main St E.

This report explores only the City's direct interests and particularly the interests of the POA Offices. It should be noted that the City has valued long-standing relationships with McMaster University (McMaster) and the Ontario Municipal Board (OMB) that may be affected by recommended changes at 50 Main Street E. Further, comments are made about potential accommodation of other departments and this report has not been vetted with these stakeholders. Consultations with other departments, McMaster and the OMB should be among the next steps as this report is received and evaluated.

1.2. Background and Mandate

The POA Office has been located in leased space at the JSCH since the Provincial Offences Administration was turned over to the City in February 2000. At its most recent lease renewal negotiations, the POA Office was advised that its lease would not be extended past August 31, 2017. This report was commissioned to explore potential solutions to provide the facilities necessary to accommodate the POA Office needs for the long term.

The initial mandate was to explore three long term Options. After submission of the draft report, it became apparent that constrained capital funding would make it challenging to achieve even the Recommended Option. Therefore, a fourth Option was explored and variations of the other options were considered. The Options considered include:

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- Option 1 – **Recommended Option** - Renovation of 50 Main Street East;
 - Option 1A – Funded from Capital;
 - Option 1B – Financed.
- Option 2 – A new building on vacant land (a hypothetical site);
- Option 3 – A new building designed and constructed by a private sector Design-Builder who would lease it to the City (the Design-Build, Lease-Back Option).
- Option 4 – A new building constructed as part of a larger complex that could include a Hamilton Police Services (HPS) building or other City function.

1.3. Findings

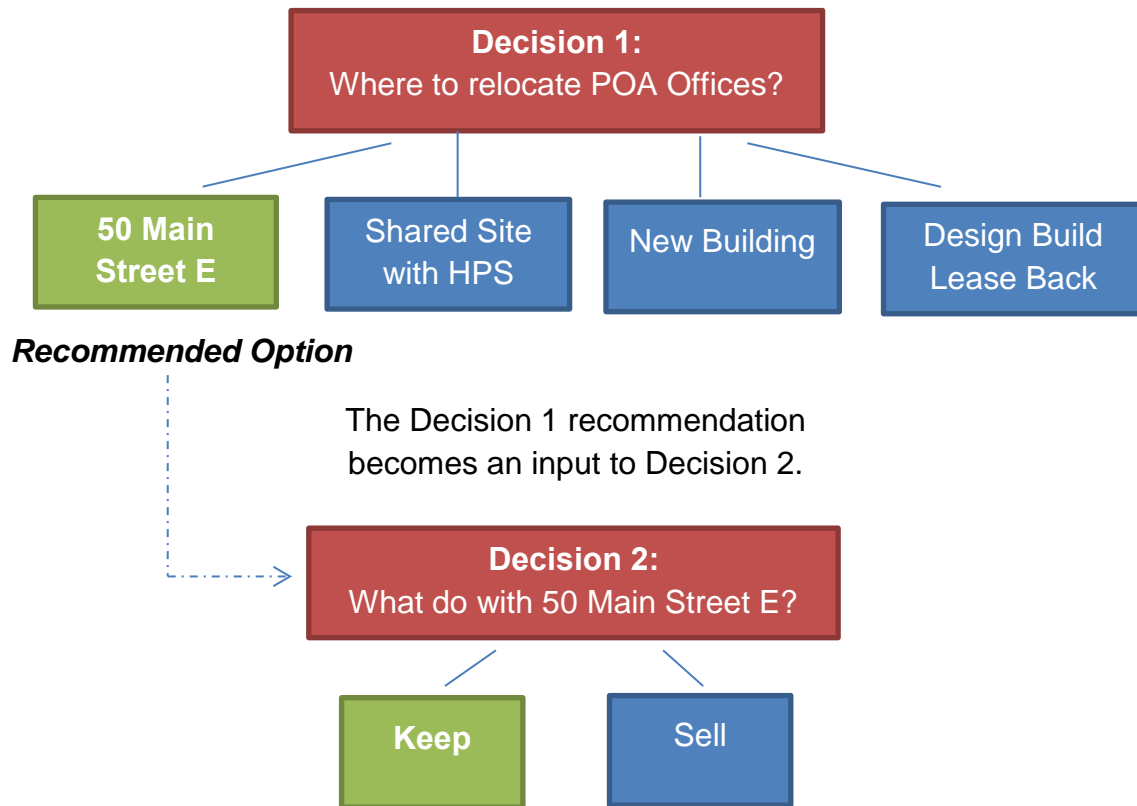
Option 1, renovating 50 Main Street E to create a long term facility for the POA Offices and court rooms, is the preferred Option for the following reasons:

- This Option is the least costly solution to provide the space needed for the POA Offices, both in capital costs and net present costs. This option allows the entire building to be renovated to base-building standards at less than the cost to build only the spaces needed for the POA Offices in any of the other Options.
- The net present cost for financing (Option 1B) is equal to the net present cost of allocating City Capital Reserves (Option 1A). Therefore, the decision to select between Option 1A and Option 1B can be based on the availability of capital reserves.
- The annual departmental costs per sq. ft. (including the amortization of capital costs for renovation and relocation but excluding revenues) of 50 Main Street E. will be less expensive than the current locations for all departments considered, with the exception of POA. This is due to POA's unique and more costly fit out requirements, which result in higher operating costs in any of the relocation options.
- This location is ideal for all users of the POA Offices – it is convenient to City Hall for staff, it is immediately across the street from JSCH for Justices of the Peace and staff, and it has ideal transit access;
- The building is already owned by the City and thus the project could be commenced immediately;
- This Option does not rely on other partners (as required for Options 3 and 4) and thus there is no risk of delay if partner funding or default becomes an obstacle;

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- The revenue from sale of 50 Main St E is likely to be significantly less than the incremental cost of the next best Option.

A mapping of the two key decisions addressed in this report is provided below:



Keep 50 Main St, *unless* the “Sell” value of 50 Main St E exceeds the incremental value of the building to the City relative to its next best option in Decision 1.

1.4. Risks

- The building at 50 Main Street E has more space than necessary for the POA Office. If this space is left idle, the City will incur operating costs without obtaining appropriate value. These recommendations assume this excess is either commercially leased or used to accommodate other City functions.
- It is more difficult to estimate the cost of a renovation than to estimate the cost of new construction and thus there is a risk that further analysis could identify higher renovation costs. This is of particular note as it relates to the building

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envelope and re-skinning of 50 Main where a formal methodology has not been developed and priced. Analogous estimating has been used for a conceptual re-skinning process. For the balance of the required renovations, we believe this risk is small because we relied on the City's RECAPP inventory of system life cycle replacement costs to assess the work involved in this renovation.

- This solution may have a negative impact on the City's relationship with McMaster and its desired presence in the downtown core. The schedule allows for a negotiation and notice period for McMaster, however the schedule does assume the project programming and design could begin while these negotiations are underway.
- This building is listed on the Inventory of Buildings of Architectural and/or Historical Interest for the bas-relief sculpture on the wall. In accordance with the Official Plan and the Downtown Secondary Plan, a Heritage Impact Assessment would be required prior to any development or redevelopment but this should not affect internal renovations.

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1.5. Summary

1.5.1. POA Perspective

The table below summarizes the key factors considered in evaluating the Options purely from the perspective of satisfying the requirements of the POA:

Table 1.5.1 – Summary of Option Evaluation (POA Perspective)

| | Option 1A 50 Main St E Capital Funding | Option 1B 50 Main St E Financed | Option 2 New Building | Option 3 Design-Build / Lease-Back | Option 4 Shared Site with HPS |
|-------------------------------------------------------------|-------------------------------------------------|---------------------------------------|--------------------------|------------------------------------------|-------------------------------------|
| Total Project Capital Cost¹ | \$27.0M | \$0 | \$39.2M | \$5.8M | \$27.6M² |
| Gross Floor Area | 112,000 | 112,000 | 49,200 | 49,200 | 49,200 |
| Project Capital Cost/sq. ft. | \$242 | \$0 | \$798 | \$118 | \$561 |
| Lease Savings at JSCH | (\$0.2M) | (\$0.2M) | (\$0.1M) | (\$0.1M) | (\$0.1M) |
| Proceeds from sale of 50 Main Street E | \$0 | \$0 | (\$5.6M) | (\$5.6M) | (\$5.6M) |
| Net Present Value of Lease Savings (other Depts) | (\$7.0M) | (\$7.0M) | \$0 | \$0 | \$0 |
| Net Present Project Costs | \$19.8M | \$19.8M | \$33.5M | \$47.5M | \$21.9M |
| Earliest Availability | Mar/16 | Mar/16 | Sep/16 | Sep/16 | Jun/16 |

We note that Option 1 assumes a \$5.38M contribution from the Hamilton Community Energy according to a proposal received by the City. If this proposal is not accepted, the cost of Option 1 would increase by that amount, and Option 4 would become the most favourable.

1.5.2. Total Capital Cost Perspective

While the focus of this study is to discover the best way to accommodate the needs of the POA, the City should also consider the total capital requirements. This is particularly important because Option 4 envisions a dual-purpose facility that addresses both POA

¹ Cost includes plus 25% margin of error. Option 4 excludes cost to construct HPS space.

² Does not include the additional capital required to accommodate the HPS requirements, see section 1.5.2.

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and HPS space needs. Option 4 can only exist if the City also commits the capital necessary to construct the HPS space in a shared building. The table below summarizes the Options from the perspective of total capital cost to the City:

Table 1.5.2 – Summary of Option Evaluation (Total Capital Cost)

| | Option 1A 50 Main St E Capital Funding | Option 1B 50 Main St E Financed | Option 2 New Building | Option 3 Design-Build / Lease-Back | Option 4 Shared Site with HPS |
|-------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------|----------------------------------|---------------------------------------------------|----------------------------------------------|
| Total Project Capital Cost³ | \$27.0M | \$0 | \$39.2M | \$5.8M | \$47.6M |
| Gross Floor Area | 112,000 | 112,000 | 49,200 | 49,200 | 49,200 |
| Project Capital Cost/sq. ft. | \$242 | \$0 | \$798 | \$118 | \$561 |
| Lease Savings at JSCH | (\$0.2M) | (\$0.2M) | (\$0.1M) | (\$0.1M) | (\$0.1M) |
| Proceeds from sale of 50 Main Street E | \$0 | \$0 | (\$5.6M) | (\$5.6M) | (\$5.6M) |
| Net Present Value of Lease Savings (other Depts) | (\$7.0M) | (\$7.0M) | \$0 | \$0 | \$0 |
| Net Present Project Costs | \$19.8M | \$19.8M | \$33.5M | \$47.5M | \$41.9M |
| Earliest Availability | Mar/16 | Mar/16 | Sep/16 | Sep/16 | Jun/16 |

We note that if the City opts to address the POA requirements now, and later finances the cost of constructing a new HPS building, the incremental cost will be approximately the same for all options⁴ and thus the relative ranking of options would be the same as identified in Table 1.5.1 above.

From the total capital cost perspective, even if the City does not accept the Hamilton Community Energy proposal and the Option 1 costs increases by \$5.38M, Option 1 still remains the most favourable option.

³ Cost includes plus 25% margin of error. Option 4 excludes cost to construct HPS space.

⁴ The cost of the HPS building would be \$650,000 higher for all Options except Option 4 because the land value would not be shared, but this increase is still not sufficient to make Option 4 more economical.

1.6. Recommendations

- 1) The City should adopt Option 1 – to renovate 50 Main Street E for the long term location of the POA Offices and associated court rooms.
- 2) To implement this recommendation, the City should:
 - Not proceed with a declaration of 50 Main Street E as a surplus asset⁵ in recognition that this building is the lowest cost alternative for the POA offices because it can be financed with no capital expenditures, and yields a value of about \$7.7M greater (in 25 year NPV) than the next best alternative;
 - Allocate a total of \$27.0M over three fiscal years to fund the project, or seek financing at 6.5% or less for same;
 - Negotiate with McMaster the terms for termination of their occupancy (now on a month to month lease hold-over);
 - Determine whether to allocate funds from capital reserves or seek financing.
- 3) In entertaining an offer for purchase of 50 Main Street E, the City should value the building in light of the POA Office need for the space, and the incremental cost to proceed with the next most affordable option:
 - If the City decides to approve funding for the proposed HPS building, then Option 4 (a shared facility with HPS) is the next best option with a net present value \$7.7M greater than Option 1. This would require a land value of \$85 / sq. ft.
 - If the City decides not to approve funding for the proposed HPS building then the next best option is Option 2, which has a net present value differential of \$19.3M. This would require a land value of \$212/sq. ft.

From a review of benchmark land values in the Hamilton downtown core (between \$50 and \$60/sq. ft.), it is highly unlikely that the City could sell the site for as much as \$85/ sq. ft. Therefore, the City would derive the best value from keeping the 50 Main Street E building.

⁵ Motion passed by Council December 12, 2012 which reads in part:
“20. Declaration of Surplus Property – 50 Main Street East, Hamilton (Old Court House) (Ward 2) (Item 9.2)
a) that Real Estate staff initiate proceedings to declare 50 Main Street East (Old Courthouse) as surplus”

2. Project Understanding

The City's Provincial Offences Administration Office (POA Office) has been located in the John Sopinka Courthouse (JSCH) since the Provincial Offences Administration was turned over to the City in February 2000. The City leases space for administration, prosecution offices, courtrooms, other necessary support infrastructure and a retiring room for Justices of the Peace. The City seeks to define the best approach to providing the facilities necessary to accommodate the POA Office needs when their JSCH lease expires on August 31, 2017. It has been confirmed that, if required, the City may exercise a penalty-free early lease termination. At the same time, the POA Office has been instructed to explore the potential to create one additional, temporary courtroom and the necessary support spaces. There is no space available in JSCH for an additional courtroom.

This report is the second of two reports commissioned to provide direction to satisfy the short term and long term needs of the POA Office. This report assesses the long term solutions; the companion report addresses the short term solutions.

As identified in the Facilities Management and Capital Projects Charter, staff was directed to:

“Investigate locations for long-term use by the Provincial Offences Administration Court House, prior to the expiration of the current lease in the Hamilton Court House in 2017, and report back to the Audit, Finance & Administration Committee.”

One of the long term solution options is the renovation of 50 Main St E to accommodate the POA Offices. Shortly before this study was undertaken, Council also directed staff to initiate proceedings to declare 50 Main St E as surplus property. To integrate the analysis of these two separate directions, this study examined the best use of 50 Main St E to determine how its sale would change the cost profile of accommodating the POA needs.

This report explores only the City's direct interests and particularly the interests of the POA Offices. The City has valued long-standing relationships with McMaster University (McMaster) and the Ontario Municipal Board (OMB) that may be affected by recommended changes at 50 Main Street E. Further, comments are made about potential accommodation of other departments in the long term facility. This report has not been vetted with these stakeholders. Consultations with other departments, McMaster and the OMB should be included in the next steps as this report is received and evaluated.

3. Methodology

The following approach was used to complete the long-term feasibility study:

- We reviewed examples of Provincial Offences Offices and Court Houses in other municipalities to identify benchmark standards.
- We conducted interviews with the POA and Real Estate stakeholders to define the mandatory and preferred requirements for the long-term conditions, leveraging the previously developed benchmark space standards.
- We examined the proposed existing relocation site (50 Main Street East) to assess the available space, the potential to relocate tenants and the suitability of the available space for long term use in the context of the Province of Ontario Architectural Design Standards for Court Houses. The City's Barrier Free Design Guidelines (BFDG) were used as the guiding standard for accessibility to the best extent possible when considering retrofit spaces with any deviations specifically noted.
- We defined the scope of work and schedule for four long-term relocation options: renovation of 50 Main Street East; a new building constructed as part of a larger complex that could include a Hamilton Police Services (HPS) building, a new building on a hypothetical site defined by Planning and Economic Development, Real Estate; and a new building developed on a Design-Build / Lease-Back model..
- We developed an order of magnitude (+/-25%) cost estimate for implementing each of the three long-term options identified above.
- Project costs reported here are based on an order of magnitude estimate that is considered to be within +/- 25% of the ultimate project cost. Project costs are reported as the high end of that range as the appropriate value for a budget allocation.
- Design fees (10%)⁶, project management costs (7%), and contingency (15%) are included in the estimates. An allowance of \$100,000 is included for relocation

6 Design fees are typically less in a renovation because the project can often be complete more rapidly. There is usually significantly less scope for structural, geotechnical and civil engineering, but this is partially offset by greater need for analysis of the existing building.

costs and move management costs for POA. Furniture, fittings and equipment are excluded from the cost estimates.

- For the Design-Build / Lease-Back option, the Builder is expected to incur design fees (7%)⁷, and construction financing costs in addition to the construction costs (which include internal project management and contingency). The Design-Builder's financing costs are assumed to be 4% of construction costs, reflecting an interest rate of 8% and the expected flow of construction costs over an 18 month construction period.
- For the Design-Build / Lease-Back Option, the City would incur additional project management costs (7%), owner's compliance team (3%), and should keep an Owner's Reserve of 5% (of design build contract) for owner-initiated changes, as well as an allowance of \$100,000 for relocation costs and move management costs. Furniture, fittings and equipment are excluded from the cost estimates.
- Cost estimates reflect a blended cost per square foot of construction comprised of the following (as applicable):
 - \$20/sq. ft. for complex demolition, selective in some instances and including steel framed spaces;
 - \$97/sq. ft. for mechanical and shell upgrades;
 - \$200/sq. ft. for core and shell new construction;
 - \$80/sq. ft. for standard office fit-out;
 - \$200/sq. ft. for courtroom interior fit-out, due to high quality of finishes and extensive millwork.
- Annual utility costs are assumed to be \$3/sq. ft. for an existing building and \$2/sq. ft. for a new or refurbished building, with a reduction to \$2/sq. ft. and \$1.50/sq. ft., respectively if on a district energy system.
- Annual operating costs (including minor repairs, cleaning, supplies and operating equipment) are assumed to be \$8/sq. ft. This cost is applied even to newer buildings because this represents the expected annual contribution to a capital replacement fund to allow for the ultimate replacement of equipment as it approaches the end of its useful life.

7 Design fees are typically less in a renovation because the project can often be completed more rapidly. There is usually significantly less scope for structural, geotechnical and civil engineering, but this is partially offset by greater need for analysis of the existing building.

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- For a leased building, annual additional rent is assumed to be \$12/sq. ft. and does not include cleaning of tenant spaces. Cleaning of tenant spaces is assumed to be \$2/sq. ft.
- We explored the potential revenue from selling the Old Court House at 50 Main St E given its site size of 90,500 sq. ft.:
 - Revenue of \$5.6M at the value of \$62/sq. ft. of land area (the value paid by McMaster for the School Board site; \$8.2M for a 3.2acre site);
 - Revenue of \$6.8M at the value of \$75/sq. ft.(the high end of the current range of land values per advice by the City Real Estate department);
 - A required valuation of \$86/sq. ft. to generate a sales revenue of \$7.7M, which would be approximately sufficient to cover the gap between Option 1 and Option 4.

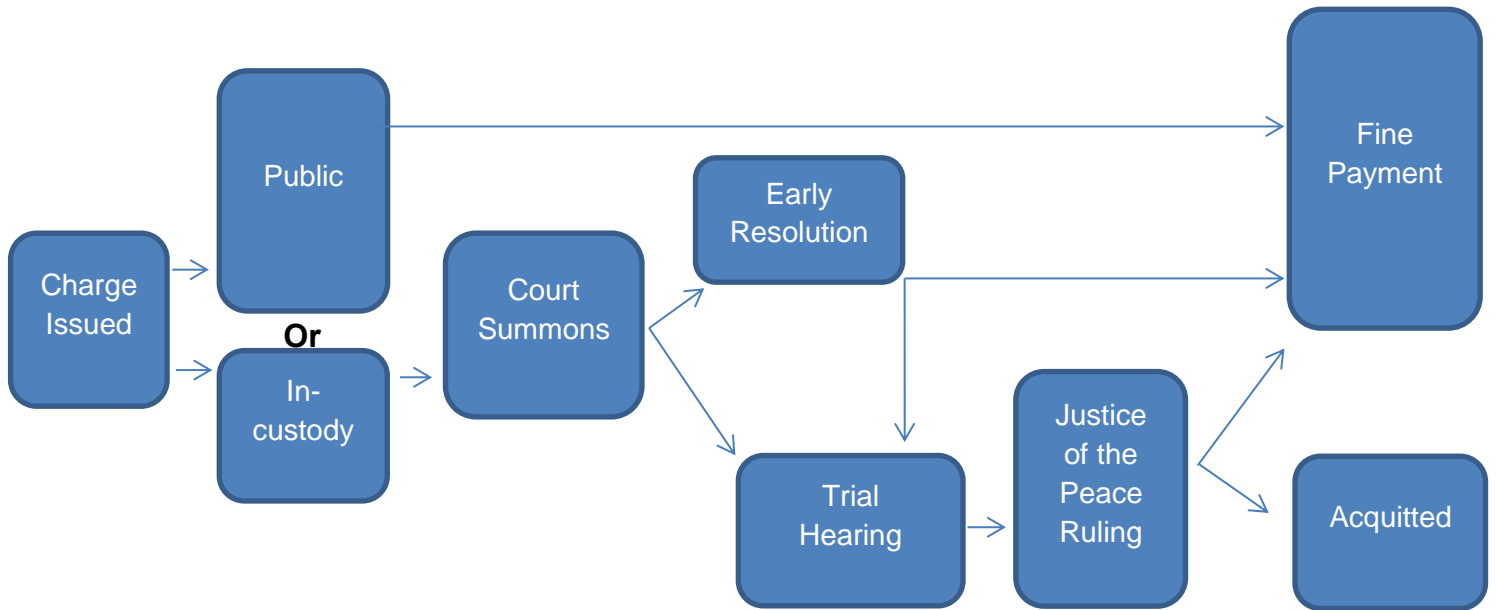
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4. Current State and Future Needs

4.1. Business Processes

To understand current space use for the POA functions in JSCH at 45 Main St E, an interview was held with Wendy Mason, Manager of Provincial Offences Administration on February 13, 2013. Erika Liao, Accommodations & Design Coordinator with City of Hamilton Facilities Management and Capital Programs, also attended. The interview was followed by a walkthrough of the POA offices and courtrooms. Gary Murphy, Supervisor of Prosecutions, also participated in the walkthrough.

From these interviews, it is our understanding that Provincial Offences are currently processed as follows:



The above noted process involves the following judiciary and staff user groups and corresponding key workspaces:

| Table 4.1 – Judiciary and Staff Groups and Spaces | |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| Department/Personnel | Workspace |
| Justices of the Peace | Courtroom, chambers, retiring room, primary intake, lunchroom/ meeting room, holding cells, related work areas and sally port. |
| Prosecution | Courtroom, interview room, early resolution room, offices, workstations, meeting room, library, lunchroom, print & copy, file storage |
| Police Services/Special Constables | Courtroom, building entrance/perimeter, lunch room, locker room |
| Court Administration | Offices, workstations, public reception/queuing, meeting room, lunchroom, exhibit storage, vault, print & copy, file storage |

The remainder of this section describes the current state for each of the above user groups, including needed changes or improvements in a permanent new location. **Appendix A- Space Analysis** provides the detailed space needs for the long term accommodations as gleaned from the interviews and site visits. A circulation rate of 45% and gross up factor of 20% was applied for all space need calculations, for a total of 48,800 sq. ft. (excluding parking). This circulation rate reflects the proportion of open spaces (corridors) and high pedestrian traffic rates throughout the public side of the facility. Furthermore, the need for separate paths of travel for public, prisoners, and judiciaries demand multiple independent corridors, and hence a higher circulation rate than typical office uses.

The City provided a document outlining the forecast POA space needs titled “Preliminary Space Requirements- Provincial Offences Office,” (PSR) which calls for a total of 62,160 sq. ft. excluding parking. Our recommendation, to allow for approximately 48,800 sq. ft. is based on our analysis of the needs as reported by City staff, the MAG standards and by benchmarking against the recently completed Brampton POA facility. The 14,000 sq. ft. difference between our assessment and the PSR can be attributed to the following:

- The PSR allowed for 17,200 sq. ft. of courtroom space – 8,700 sq. ft. more than our assessment of 8,500 sq. ft. of courtroom space. Our assessment reflects a total of six courtrooms in accordance with MAG standards but also reflecting the larger size of the courtrooms currently in use and the need for additional space in one court room.

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- The PSR calls for a sally port of 5,000 sq. ft., while our assessment showed a need for approximately 600 sq. ft. as specified in the MAG standards (a difference of 4,400 sq. ft.).
- The PSR calls for 4,000 sq. ft. of cell space, while our assessment showed a need for approximately 200 sq. ft., given the average of 1-3 prisoners passing through the POA facility on a daily basis and based on the example of the City of Brampton POA court facility.

It was assumed that a newly constructed facility would comply with the City's Barrier Free Design Guidelines (BFDG) and AODA standards (whichever is more stringent) and be constructed to a LEED Silver standard⁸. To the best extent possible, these standards were also applied for retro-fit space and cost calculations. Any deviations from these standards in retrofit scenarios are specifically noted.

We note that the future courtroom space needs as described by POA staff is largely based on the current backlog in ticket processing, due to a lack of courtroom space. We did not assess whether the current rate of ticket issuance, and in turn, ticket processing and need for courtroom space, would be sustained in the future. We highlight this as an area for further consideration and analysis.

4.2. Court Facilities

The Provincial Offences Offices use standard, non-jury courtrooms. It was confirmed that there is no need for:

- Jury, family, or child-friendly courtrooms;
- Motions/settlements rooms;
- Justice of the Peace Bail Office
- In-custody-video rooms.

The Manager of POA estimates that approximately 10% of all Part One POA charges are processed through early resolution, a process aimed at reducing the number of charges brought to trial. Approximately 80% of these charges are resolved in early resolution. To continue supporting this approach, a new POA space would need dedicated Early Resolution (ER) interview rooms and one dedicated courtroom. It is anticipated that a large courtroom size (i.e. Room 300), fitted with two ER rooms and

8 Depending on the credits targeted, new buildings can often be constructed to a LEED Silver standard at approximately the same cost as conventional construction.

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two traditional interview rooms would suffice for this function.

Furthermore, the current courtroom capacity at John Sopinka has been identified as the bottleneck for the processing of charges, and therefore the generation of revenue. It was indicated that the date of disposition for a court summons is approximately one year from the time of the charge. It was therefore concluded by POA staff that an additional three courtrooms (including the dedicated ER space noted above) would be required at a new location to address this backlog and forecasted growth. This would make for a total of six courtrooms at a new POA facility. It was suggested that if there were unused capacity in a new facility, and if the court rooms were designed to Ontario Court of Justice standards, then the courtrooms could be leased back to the Ministry of Attorney General (MAG).

When touring the large courtroom at John Sopinka (Room 300), it was indicated that it is currently undersized for its average use, with additional seating informally installed above the rail. It was therefore concluded that a new facility would need to provide one courtroom that is larger than any of the current facilities at 45 Main St E. In addition, it was stated that future growth could see POA appeals moved to the POA court. As such, future POA facilities would ideally be equipped to service these POA appeals with Judiciary chambers outfit to Judge (vs. Justice of the Peace) standards.

4.2.1. Court Rooms

The proposed sizing of the six courtrooms relative to MAG courtroom size standards are shown here, with the larger of either the current size or MAG standard applied:

| Courtroom Name | MAG Standard Size (sq. t.) | JSCH Size (sq. ft.) | Current No. of Courtrooms | Proposed No. of Courtrooms | Proposed Courtroom Size (sq.ft.) |
|---------------------------|-----------------------------------|----------------------------|----------------------------------|-----------------------------------|-----------------------------------------|
| Small/Standard | 1,127 | 840 (C320) 1,050 (C326) | 2 | 3 | 1,127 |
| Large (Alternate) | 1,465 | 1,630 (C300) | 1 | 2 | 1,630 |
| X-Large (Alternate + 15%) | N/A | N/A | 0 | 1 | 1,875 |
| Total | - | - | 3 | 6 | - |

4.2.2. Interview Rooms

Adjacent to each courtroom are interview rooms. Interview rooms provide a private meeting space for attorneys, paralegals, and defendants. Standard courtrooms typically have two adjacent interview rooms, while alternate (large)

courtrooms provide four interview rooms. For barrier free compliance, space calculations allow for two wheelchair/scooter users in the interview room at the same time, resulting in a larger space than the MAG standard.

4.2.3. Early Resolution Rooms

Currently two of the interview rooms are used for Early Resolution consultations. Prosecutors meet with the accused and their attorneys, interpreters and supporters for this process. The consultation room must be enclosed to ensure the privacy of the accused, with a division between accused and prosecutor and a separate exit for each party for convenience and security. The space analysis assumes two of the interview rooms adjacent to a large/alternate courtroom will be dedicated for early resolution purposes. While this does change the interior fit-out requirements, the same square footage allowance applies for either use.

4.2.4. Attorney Cloak Room

Defense attorneys are not permitted to bring coats above the rail. Currently one of the interview rooms is set aside as for defense attorneys to use for coats which is inefficient and defeats the purpose of the interview room. An attorney cloak room should be provided. Properly located it could serve all courtrooms.

4.2.5. Waiting Area

Outside of each of the courtrooms is a designated public waiting area, for defendants, their guests, and attorneys awaiting trial. The current waiting area at JSCH is reported to be under-sized with insufficient seating.

4.2.6. Holding Cells

On average, between one and three in-custody defendants are currently seen each day in the POA courtrooms. Holding cells are required for prisoners waiting for their court hearing. The space analysis allows for three holding cells to correspond with the increased number of courtrooms. The holding cell area also includes an office for the Police officer responsible for the prisoner.

4.2.7. Sally Port

A sally port must provide secure building access for prisoners when transported to a courthouse. It allows a prisoner transport vehicle to enter through an overhead door which is closed to secure the area while prisoners are moved from the vehicle to the holding cell.

4.2.8. Building Security Station

The building perimeter of a courthouse must be kept secure with metal detection devices and special constable screening stations at public entrances. Special

constables man the building security station, escort prisoners, and respond to on-site emergencies.

4.2.9. Special Constable Support Spaces

A locker room and small lunch area is required for special constables.

4.3. Justices of the Peace

With a stated need for additional courtrooms, the number of Justices of the Peace would increase accordingly at a rate of one Justice of the Peace per courtroom. The 5-year forecast assumes 6 courtrooms are provided in a new space. It was confirmed that Justices of the Peace do not have any designated secretarial staff and do not need a designated library space. It has been assumed that, if POA court rooms are leased to MAG for Ontario Court of Justice purposes, visiting Judges would not require secretarial staff space.

Table 4.3 – Justices of the Peace

| Position | Current | 5-Year Forecast | Workspace |
|----------------------|----------------|------------------------|--------------------------------------------------------|
| Justice of the Peace | 3 | 6 | Office and Washroom (14.4 ft. x 23.7 ft.) ⁹ |

Justices of the Peace and Judges require the following restricted access ancillary spaces:

4.3.1. JP Offices

The MAG standard requires a private office and attached private washroom for each Justice of the Peace. As noted above, the current practice in municipal POA courts is to provide offices to the MAG standard for Judges to allow flexibility to use the POA courtrooms for appeals and for use by the MAG.

4.3.2. Lunch/Meeting Room

A private lunch and meeting room must be provided to MAG standards. The standard for Judges has been applied (H8).

⁹ Assumed MAG office standard H2 for Judges, such that the courthouse will have the capacity to process appeals with visiting Judges.

4.3.3. Washrooms

The office standard for Justices of the Peace requires in-suite washrooms. The MAG standards for the private washroom meet building code standards for accessibility but do not conform to the City's accessibility standard. As such, a single barrier free washroom has been allowed for within the restricted access corridor for Justice of the Peace use. Other options for meeting the City standard include providing one Office with a private washroom to City standards; or to make all private washrooms to City standards. A minor space adjustment may be required to accommodate the desired strategy.

4.3.4. Retiring Room

Retiring rooms are required when the judiciary's office is not within close proximity to the courtroom. The retiring rooms provide judiciaries with a private break room during a recess, or when court is not in session. For the purposes of this study, it has been assumed that retiring rooms are not required and that chambers would be provided within close proximity of each courtroom.

4.3.5. Secure Parking

Secure underground parking is to be provided for each Justice of the Peace with direct and private building access.

4.4. Administration

The POA office space in the JSCH is currently shared between the Prosecution Unit and the Administration Unit (including court reporters, collections). Following best practices observed on new POA facilities in other municipalities, the Prosecution Unit should operate separately from court administration. This section presents only the Administration Unit functions.

4.4.1. Office Administration

The following table shows current staffing, 5-year staff forecast and City workspace standards for court administration:

Table 4.4.1 – Office Administration Staff

| Position | Current Staff | 5-Year Staff Forecast | Workspace |
|--------------------------------------------------------------------------|----------------------|------------------------------|----------------------|
| Manager of POA | 1 | 1 | Office (12 x 14) |
| Coordinator of Court Services | 1 | 1 | Office (10 x 12) |
| Senior Court Administration Clerk | 1 | 1 | Workstation (8 x 10) |
| Financial Analyst | 1 | 1 | Workstation (8 x 10) |
| Court Administration Clerks (incl. 1 summer student and 1 co-op student) | 12 | 14 | Workstation (8 x 10) |

Now ranked the third largest POA office in the province, staff growth is expected to continue beyond the 5-year horizon noted above. Court administration staff rotates between seven unique positions on a monthly basis, however the designated work areas for each position remain constant. Ideally the financial analyst, senior court administration clerk, and the vault are within close proximity of one another.

The payment clerk positions process approximately 10,000 transactions per month. They currently require regular access to two low-volume printers and approximately twelve filing cabinets.

4.4.2. Collections

The following table shows current staffing and City workspace standards for collections. No increase in the number of collections clerks is anticipated.

Table 4.4.2 – Collections Staff

| Position | Current Staff | 5-Year Staff Forecast | Workspace |
|-------------------------|----------------------|------------------------------|----------------------|
| Collections Coordinator | 1 | 1 | Workstation (8 x 10) |
| Collections Clerk | 3 | 3 | Workstation (8 x 10) |

4.4.3. Court Reporters

The following table shows current staffing and City workspace standards for court reporters. We understand that with additional courts rooms to monitor, there will be an increased need for court reporters.

| Position | Current Staff | 5-Year Staff Forecast | Workspace |
|-----------------|----------------------|------------------------------|----------------------|
| Court Reporter | 4 | 9 | Workstation (8 x 10) |

Court reporters are frequently in and out of the courtroom and their time at a desk is spent listening to court recordings and transcribing records. Currently, the court reporter workstations are centrally located within the POA office, exposed to regular traffic flow and within close proximity to the open kitchen area. As such, the current court reporter workspaces do not afford a quiet working environment. In a new permanent location, a shared working area for court reporter workstations set in isolation from office traffic, offering natural light and views, would be ideal (i.e. fully partitioned with half-glass).

The Court Reporters require convenient access to an area for binding court documents. This could be in a print/copy area if it were adjacent the Court Reporters area. An allowance for the space required is included in the Print/Copy room (4.4.5 below).

4.4.4. Exhibit Room

The exhibit room is used to store evidence or other physical materials needed in court proceedings. This room is most frequently used by the court reporters and is ideally within close proximity to their workspace.

4.4.5. Print/Copy Room

The current office space includes four print or copy areas for the Administration functions and one for the Prosecution group. We recommend that where possible these should be combined in an enclosed room that is separately ventilated to achieve better indoor air quality.

Under the LEED® Silver New Construction requirements, high volume print/copy areas must be sealed off from work areas and separately ventilated. Low volume print stations required by the cahiers would be part of their work area. We recommend that the other three print areas (two for administration and one for collections) should be consolidated into one room, except that if an office layout leaves an inconvenient travel distance then a second print/copy room would be justified.

In addition, the POA administration print/copy room could serve as a consolidated document processing room, including print, copy and court

reporting binding, if it is convenient to the Court Reporters area. In this analysis, the space allocated for this function assumes that the adjacency requirements for Court Reporters can be met, but if it is not, this space would be split into separate areas without increase in the aggregate area. The Prosecution and POA administration printing areas cannot be combined.

4.4.6. File Storage

The Administration file storage areas are currently adequately sized and have been carried over to the Space Analysis. Collections files need to be in close proximity to collections clerks. In addition, POA requires a locked room to store aged payment file records in compliance with credit card security standards. The required storage size is similar to, or slightly greater than, the current capacity at JSCH. POA administration files should be separated from Prosecution files.

4.4.7. Vault

The POA requires access to a secure vault storage room. The current space is sufficient, if not slightly oversized for its use.

4.5. Prosecution

The Prosecution office space in the JSCH is currently shared with the Administration Unit but following best practices, these spaces should be separated. This section presents only the Prosecution functions.

4.5.1. Office Space

The following table shows current staffing, 5-year staff forecast, and City workspace standards for prosecution staff.

| Table 4.5.1 – Prosecution Staff | | | |
|----------------------------------------|----------------------|------------------------------|----------------------|
| Position | Current Staff | 5-Year Staff Forecast | Workspace |
| Supervisor of Prosecutors | 1 | 1 | Office (12 x 14) |
| Prosecutor | 5 | 10 | Office (12 x 14) |
| Municipal Prosecution Assistant | 2 | 4 | Workstation (8 x 10) |

4.5.2. Prosecution Library

An informal Prosecution library is currently provided in a meeting space of approximately 145 sq. ft. that used to function as an early resolution interview room. A similar sized room (separate from other functions) would function, accommodating shelving/storage and a reading area.

4.5.3. Print/Copy Room

Under the City's LEED® Silver New Construction requirements, high volume print/copy areas must be sealed off from work areas and separately ventilated. Prosecution and POA administration require separate printing areas.

4.5.4. File Storage

The Prosecution unit requires a file storage room of approximately the same size as the existing file storage area. The file storage area for Prosecution should be separated from the POA administration files.

4.6. Ancillary Spaces

Notwithstanding the need to separate court and offences administration from Prosecution, the following ancillary office functions can continue to be shared between Prosecution and Court Administration

4.6.1. Lunch Room

The lunch room is currently shared by Prosecution and POA administration and could continue to be shared in a new location. It would need to be an appropriate size for a staff compliment of 43 (5 year forecast total).

4.6.2. Meeting Room

One meeting room, accommodating approximately 15 people, is currently shared by Prosecution and POA administration and could continue to be shared in a new location. The meeting room would ideally accommodate a staff meeting of 32 people (total POA staff with 5 year forecast). The long-term space requirements spreadsheet allows for table seating for 22 people, assuming provision of built-in perimeter seating.

4.6.3. Public Reception- POA Queue Lobby

POA administration receives public visitors for fine payment and general POA inquiries. Approximately five days per month, visitor volumes can exceed the current queuing capacity and the queue overflows into the adjacent elevator lobby. The long-term space analysis allows for a 20% increase from the current size for the public queuing area. We have observed that queuing is managed with a simple line-up approach. In similar customer service counter operations a more structured queuing system can accommodate large volumes in limited space. We anticipate an improved queuing system (i.e. numbering, queue ropes) would be used in any long-term solution.

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The long-term Space Analysis also specifies a visitor reception window for Prosecution. This is an unmanned station, but needs to be visible from the prosecution work area for receiving deliveries and visitors (approximately 2-5 times per day).

4.6.4. Staff Washrooms

The staff washrooms are currently shared between Prosecution and Administration and it is acceptable to continue sharing facilities. Washrooms are required to Building Code and City barrier free standards. Staff washrooms should be separate from public washrooms for the security of staff.

4.6.5. Public Washrooms

The public washrooms are currently shared with other MAG functions in JSCH. Allowances for male and female public washrooms and a separate barrier free washroom have been provided for each floor.

4.6.6. Building Operations

An allowance for garbage and recycling areas, janitorial closets and storeroom, a lobby, mechanical room, electrical room, and IT space have been included.

4.7. Site

The POA is currently located in the downtown core with optimal public transit access. Both a short-term courtroom arrangement and long-term relocation would ideally be centrally located and maintain this quality of public transit access.

As per MAG standards, courtrooms are ideally located on a second floor or higher for improved security control. Justices of the Peace are provided with secure parking and separate building access from public use.

On-site parking for staff is not required other than as identified above. If available, staff would be interested in reserved on-site parking paid for by payroll deductions.

The City provides a high standard of public parking throughout the downtown core and it is assumed that no on-site parking is required for clients.

5. Long Term Options

Four long-term relocation options are assessed with some Sub-Options also considered:

- **Option 1 – Preferred Option** - Renovation of 50 Main Street East;
 - Option 1A – Funded by Capital Allocation;
 - Option 1B – Financed;
- Option 2 – A new building on a hypothetical site;
- Option 3 – A Design-Build / Lease-Back solution where the City would enter a partnership with a private sector Design-Builder to construct a building to Hamilton’s needs and lease it to the City.
- Option 4 – A new building constructed as part of a larger complex that could include an HPS building or other City function;

These options were reviewed and discussed with City Real Estate representatives (Bill Farkas & John Hamilton). During this interview the possibility of space in a planned Police Services building was identified. Interviews were subsequently held with Michael Shea and Daniel Bowman of Police Services, and Clark Euale, the City Project Manager for the proposed new Police building.

Appendix A- Space Analysis shows the detailed long term space requirements for relocating the POA as determined through the stakeholder interviews with the POA office.

The Project Capital Cost tables through Section 5 are purely from the perspective of satisfying the requirements of the POA.

5.1. Option 1 - Retrofit 50 Main Street East (Old Court House) **Preferred Option**

5.1.1. Overview

Option 1 is preferred because it is the best location for the POA Offices, the building is owned by the City, there are no long-term lease commitments, and this offers the lowest cost for POA Office space. This option can be delivered by allocating City Capital Reserves (Option 1A) or with capital financing (Option 1B).

5.1.2. Details of Option

The old court house at 50 Main St E offers approximately 112,000 sq. ft.¹⁰ of gross floor area. McMaster University is the currently the primary tenant (on over-hold) occupying 106,921 sq. ft. (83% of space), Public Works occupies 14% of space, and the OMB Hearing Room occupies approximately 3% of the building.

The long term POA functions would consume approximately 41% of the building with 48,800 sq. ft. Under this option, all of 50 Main Street E would be gutted and renovated to contemporary standards including an improved building envelope, new mechanical and electrical systems and renewed finishes except where original high-value materials are still in good condition. Assuming Public Works stays in this location, this renovation will create approximately 50,000 sq. ft. of space that is not required for the POA Offices - space which could be commercially leased or used to accommodate other City departments currently in leased premises.

The viability of 50 Main Street E as a long-term solution for POA also rests on the assumption that Council does not declare 50 Main Street E as a "surplus" asset.

We further assume that the City will accept the Court House District Energy Proposal by Hamilton Community Energy (HCE) as presented to the Public Works Committee. This proposal would see HCE contribute \$5.38M in mechanical systems upgrades to the Court House as part of a larger agreement that would include a long-term lease of space and a commitment to use the district heating system.

5.1.3. Benefits

- The City owns this building and no acquisition time is required, with a reduced risk of not having a new location by the expiry date of the current lease;
- Higher certainty of early completion with fewer 'unknowns' than the alternatives, and reduced risk of losing cases because court time is not available;
- The building is located in close proximity to the Provincial Court house, a benefit for:

10 As documented in the lease dated November 22, 2001 between the City of Hamilton and McMaster University. Note that discrepancies in areas and percentages have not been reconciled but the 112,000 sq. ft. gross floor area is thought to exclude basement space that is occupied by other users.

- Easier to transfer original court documents between the two courthouses for appeals;
- Reallocation of JPs by the MAG to Provincial Court Functions when not needed for POA;
- Security advantages with a pool of special constables available;
- Easier coordination of probation services which can reduce re-visits and gaps in probation.
- The location opposite the JSCH would make it more feasible to rent un-used court space to the Ministry of the Attorney General for use as overflow court rooms;
- It may be possible for the OMB to make use of a court room for hearings (subject to scheduling and approvals by the OMB) which would avoid the need to replace the OMB hearing room and create overall space efficiencies (the OMB hearing room is unused for much of the year);
- There is a potential to renovate the entire building and thus provide the City with additional owned space.

5.1.4. Key Risks

- This building has more space than necessary for the POA Office. Surplus space would need to be leased or used for other City purposes or the City would incur operating costs without a corresponding benefit.
- It is more difficult to estimate the cost of a renovation than to estimate the cost of new construction and thus there is a risk that further analysis could identify higher renovation costs. This is of particular note as it relates to the building envelope and re-skinning of 50 Main where a formal methodology has not been developed and priced. Analogous estimating has been used for a conceptual re-skinning process.
- This solution may have a negative impact on the City's relationship with McMaster and its desired presence in the downtown core. The schedule allows for a negotiation period with McMaster, however the schedule does assume the project programming and design could begin while these negotiations are underway. It is possible that McMaster may entertain a smaller leased area and could occupy the surplus space.
- This building is listed on the Inventory of Buildings of Architectural and/or Historical Interest for the bas-relief sculpture on the wall. In accordance with the

Official Plan and the Downtown Secondary Plan, a Heritage Impact Assessment would be required prior to any development or redevelopment.

5.1.5. Project Cost

The estimated capital cost shown below has assumed that the excess building space is fit out to base building standards.

| | |
|------------------------------------------|-----------------|
| Total Project Capital Cost ¹¹ | \$ 27.0M |
| Gross Floor Area | 112,000 sq. ft. |
| Project Cost per Square Foot | \$ 242 |
| Net Present Project Cost | \$19.8M |

These costs yield approximately 112,000 sq. ft. of renovated space, which includes 60,000 sq. ft. surplus area (gross) renovated to base building standards that could be used for other purposes as discussed in 5.1.7 below.

The estimate includes allowance for all major building upgrades identified in the 2013 RECAPP Building Condition Assessment (i.e. chiller replacement, boiler replacement, roof replacement, granite cladding) with an event year up to and including 2058. This assumes these works are undertaken as part of the building renovation and are accounted for in present dollars. The costs cited in the RECAPP report are assumed to be trade costs and a 10% allowance for general conditions and 8% allowance for profit were added.

The Building Condition Assessment identified that the structure and foundations have a useful life equal to the life of the building (currently reported as an additional 35 years). The cost estimate includes a full re-skinning of the building, however assumes that the no part of the building exterior/skin construction required special considerations for heritage restoration.

The Total Project Cost includes the \$5.38M reduction in cost that would be obtained as a result of the City’s participation in the Court House District Energy Proposal by HCE. The upgrades proposed by HCE would take the place of equipment renewal that would be required otherwise, reducing the construction costs for this Option.

11 Recommended budget amount based on our cost estimate + 25% margin of error.

Option 1A – Funded by Capital Allocation

Option 1A has no financing costs attributable to the project because it assumes that capital costs will be allocated from the City's Capital Reserves.

Option 1B – Financed

Option 1A requires an allocation of just over \$27M from the City's Capital Reserves but potential constraints on the availability of Capital Reserves led to consideration of other Options. Option 1B assumes that all capital requirements will be financed by the City. (Option 3 – Design-Build / Lease-Back assumes involvement of a partner to provide financing.)

We have assumed that the City could issue debentures at a cost of capital of 6.5%¹² or less. At this interest rate, and using a discount rate of 6.5%, the net present cost of borrowing over a 25 year period is approximately \$27M.

5.1.6. Potential Early Termination Savings

As discussed below, the expected schedule will allow the early termination of the lease at the JSCH, saving approximately 10 months of net rent at a total of about \$150,000. (No reduction is made for additional rent as equivalent costs would be required in the new location).

5.1.7. Surplus Space: Lease Cost Savings of Potential Lease Revenue

Our analysis of Option 1 assumes that the entire building would be renovated to base building standards. This would give the City an additional 60,000 sq. ft. gross floor area beyond the requirements of the POA that could be fit up and used to accommodate other City Departments that are now in leased premises. Alternatively, the space could be commercially leased. With either approach, there is a net benefit to the City as either lease costs saving or lease revenue.

Lease Cost Savings

In assessing potential lease costs savings, we considered the relocation of some City offices that currently lease space in the downtown core. The City's Real Estate Department identified the following City departments as potential

12 We have assumed the City's cost of borrowing is equal to the discount rate typically applied by the City. Note that the City's cost of borrowing was cited as 4.18% in an August 10, 2010 report to Committee of the Whole on the subject of 'FCM Green Municipal Fund Debenture (FCS09095(a)) (City Wide)'. The City's current borrowing cost should be confirmed at the time a decision is made.

occupants for 50 Main St E, given their current lease arrangements and space use:

Table 5.1.7 – City Departments Leasing Space

| City Department | Current Location | Square Footage¹³ | Lease Expiry | Early Termination |
|----------------------------------|-------------------------|------------------------------------|---------------------|----------------------------|
| Legal Services | 21 King St W | 12,417 | 2014 | Penalty Free |
| Risk Management | 21 King St W | 3,107 | 2019 | Not possible ¹⁴ |
| Human Resources | 120 King St W | 32,549 | 2015 | Not possible |
| Treasury/Finance | | | | |
| Return to Work | 120 King St W | 2,352 | 2015 | Not possible |
| Total (with 20% gross up) | | 50,425 | | |

To assess the value of this scenario, we have calculated the Net Present Cost of continuing these leases. In doing so, we have assumed that:

- Lease extensions could be negotiated at the same increment as the previous lease renewals in each of the locations (or elsewhere in City) and extend for 25 years;
- Operating costs (additional rent) are assumed to be similar in all cases and are not included;
- The discount rate is 6.5% as advised by the City.

The 25-year net present value of the avoided leasing costs is \$7.0M, which can be deducted from the POA Office project cost cited above (see Table 5.1.11). Note that all other project costs for the City department relocations (fit out of new space, move management, furniture costs) are excluded, as we are strictly evaluating the real estate value of the surplus space. These costs must be defined based on validated user group needs and factored into a total project cost for 50 Main St E should the City elect to proceed with Option 1. We estimate these costs could be in the order of an additional \$6.5M.

Lease Revenue

In assessing the potential lease revenue from a commercial lease, we have assumed the same lease rate that other City departments are now paying, which

13 As per data from City Real Estate.

14 While there is no early termination clause in the current lease, the 2014 to 2019 lease rates are below market value and may give grounds for the landlord to consider an early termination.

may be at the low end of the current market rates. On this basis, a commercial lease would generate a 25-year NPV of at least \$7.0M – equal to, or greater than, the lease cost savings noted above. With this approach, the commercial tenant would be responsible for all other project costs (move management, tenant fit-out, FF&E etc).

Occupancy by Hamilton Police Services

We were also directed to examine whether the surplus space could accommodate the needs of the HPS given the current HPS proposal to build a new Investigative Services building. Drawing from existing high level programming documents, which are several years old, and noting the growth trends, it is possible that the surplus space could accommodate HPS space needs for at least the short term but may be insufficient after about ten years. Further, and more conclusively, the HPS requires 70,000 to 100,000 sq. ft. of underground parking for squad cars, investigation vehicles, sally ports to secure evidence, etc. The Old Courthouse at 50 Main St E. does not have sufficient underground parking to meet this need. It may be possible, but would be exceedingly expensive, to underpin and excavate for more parking space. In summary, the HPS does not fit in 50 Main.

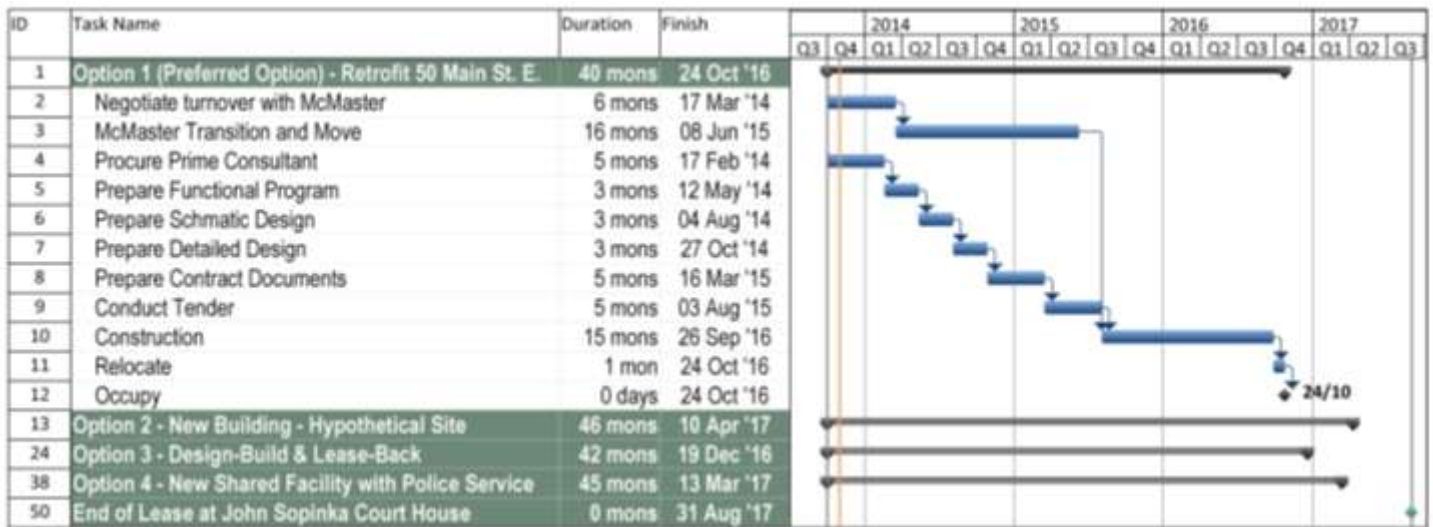
Should the City elect to proceed with Option 1, we recommend further investigation and analysis to determine the best use of the surplus space and any corresponding costs (beyond base building fit-out).

5.1.8. Timeline

This expected schedule, illustrated below, allows for completion of the permanent facilities for the POA Offices by October 2016. This is approximately 10 months before the end of the lease at JSCH. There is adequate opportunity in this schedule to provide the six months prior notice required for early termination of the lease at JSCH.

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Figure 5.1.8 – Projected Schedule – Option 1



Total duration of Options 2, 3 and 4 and current end of lease are shown for comparison purposes

5.1.9. Conclusion

Option 1 (50 Main Street E) is the preferred option because it is the best location for the POA Offices, the building is owned by the City, there are no long-term lease commitments, this use of the building is ideal for the long term re-use of a building and this offers the lowest cost for POA Office space.

Considering the total cost to renovate the building and the potential revenue or savings from leasing excess space, the Net Present Project Cost for 50 Main Street E will be \$19.8M, with a capital requirement of \$27.0M under Option 1A, or with no direct capital requirement where financed under Option 1B. This is summarized below:

| Element | Option 1A | Option 1B |
|------------------------------------------------|------------------|------------------|
| Project Cost ¹⁵ | \$ 32.4M | \$32.4M |
| Credit for HUC investment | (\$ 5.4M) | (\$ 5.4M) |
| Total Project Capital Costs | \$ 27.0M | \$0 |
| Gross Floor Area (sq. ft.) | 112,000 | 112,000 |
| Project Capital Cost per Square Foot | \$242 | \$0 |
| Net Present Early Termination Savings (JSCH) | (\$ 0.2M) | (\$ 0.2M) |
| Net Present Savings/Revenue from Surplus Space | (\$ 7.0M) | (\$ 7.0M) |
| Net Present Financing Costs (P+I) | \$ 0 | \$19.8M |
| Net Present Project Cost | \$19.8M | \$19.8M |

No allowance has been made for the value of long term lease savings from not leasing space at the JSCH as this applies equally to all options.

Should the City elect to proceed with Option 1, we recommend further investigation and analysis to determine the best use of the surplus space. The approach of re-locating other City Departments to 50 Main Street E has not been reviewed with the potentially affected departments, with the OMB, or with McMaster University. These stakeholders should be consulted as soon as possible after the release of this report.

5.2. Option 2 – City-Owned New Building - Hypothetical Site

5.2.1. Overview

Option 2, to construct a new building on a vacant site, is not preferred because it has a significantly higher cost than Option 1 and would be the most capital intensive option. Further, land for the building has not yet been acquired creating significant risk of delay because building design cannot start until suitable land is secured.

5.2.2. Details of the Option

The same three-storey floor plate breakdown as proposed for Option 4 (**Appendix B**) has been applied here, requiring a site area of approximately 25,000 sq. ft. The cost to construct 10,500 sq. ft. in underground parking, or 30

¹⁵ Recommended budget amount based on our cost estimate, plus a 25% margin of error.

stalls¹⁶, has also been included. This will provide secure parking for the Justices of the Peace, a sally port for prisoner transportation, and approximately 20 pay parking stalls for POA staff and public. Note that the underground parking could be increased to match the floor plate or site area as required.

City Real Estate has indicated that a site of 25,000 sq. ft. could be identified in the downtown core, and for the purposes of this analysis, we were advised to use a land value of \$55/sq. ft. as typical for downtown core sites based on recent sales.

5.2.3. Benefits

- Constructing a new building to the specific requirements of the POA Office could produce a more economical building because it has few constraints on design and construction;
- The cost of construction is more predictable with a new building because there are no unknown existing conditions (except for sub-grade conditions) that could give rise to unpredictable cost increases.

5.2.4. Key Risks

- Land has not been acquired that would suit the needs of the POA Courthouse. This could result in a significant delay before Option 2 can be implemented. City Real Estate has noted that there may be suitable 25,000 sq. ft. sites available in the downtown core.
- It is possible that the only suitable sites are on the periphery of the downtown core where there may be less public parking available for staff and visitors.

5.2.5. Project Cost

The expected project costs include the purchase of land and the construction of a free-standing POA Courthouse at a hypothetical site. A site area of 25,000 square feet was assumed to be sufficient to house the 17,000 sq. ft. floor plate.

16 Functionally only a sally port and six secure parking spaces are required for a new POA Office complex. However, after providing these underground parking spaces, it is likely to be cost effective to maximize the underground parking provided. This parking could be added to the City's pool of public parking to meet the objectives of the Downtown Parking strategy.

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| | |
|------------------------------------|----------------|
| Project Capital Cost ¹⁷ | \$ 39.2M |
| Gross Floor Area | 49,200 sq. ft. |
| Project Cost per Square Foot | \$ 798 |
| Net Present Project Cost | \$ 33.5M |

This project cost does not include a credit for the sale of 50 Main St E.

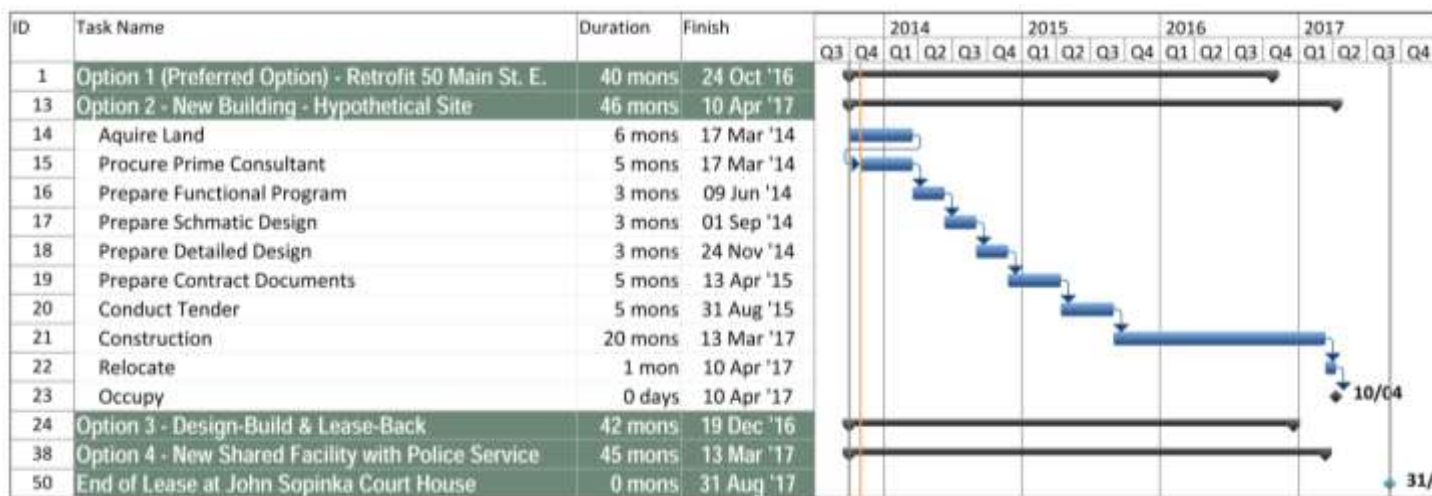
5.2.6. Potential Early Termination Savings

As discussed below, the expected schedule will allow the early termination of the lease at the JSCH, saving approximately 5 months of rent at a total of about \$76,000.

5.2.7. Timeline

This schedule has allowed for a 6 month land-acquisition process. The project schedule will run to September 2016 which gives about 11 months before the August 2017 lease termination at JSCH.

Figure 5.2.7 – Projected Schedule – Option 2



Total duration of Options 1, 3 and 4 and current end of lease are shown for comparison purposes

17 Recommended budget amount based on our cost estimate, plus a 25% margin of error.

5.2.8. Conclusions

Option 2 could be an effective building because it would be unconstrained by existing structures like Option 1 or by other program requirements like Option 4. Option 2 would be more expensive and have a greater requirement for capital investment than Option 1, which is significantly better in physical and financial terms. Further, Option 2 faces significant risk of schedule delays because of the uncertainty related to land acquisition. Option 3 outlines a less capital intensive approach to new construction on a hypothetical site.

| Element | Option 2 Cost |
|----------------------------------------------|----------------------|
| Total Project Capital Cost ¹⁸ | \$ 39.2M |
| Gross Floor Area (sq. ft.) | 49,200 |
| Project Capital Cost per Square Foot | \$ 798 |
| Net Present Early Termination Savings (JSCH) | (\$ 0.1M) |
| Proceeds from sale of 50 Main Street E | (\$5.6M) |
| Net Present Project Cost | \$33.5M |

¹⁸ Recommended budget based on our cost estimate, plus a 25% margin of error.

5.3. Option 3 – Design-Build / Lease-Back New Building

5.3.1. Overview

Option 3, to construct a new building on a vacant site under a Design-Build, Lease-Back delivery model, addresses any constraints the City may have on the availability of capital funding. However, Option 3 is not preferred because it would be the most costly option over the long term. Further, this Option is dependent on finding a design builder with experience constructing this type of complex facility and in a position to offer the City a Design-Build / Lease-Back option. Finally, this Option, like Option 2, must address the risk that a suitable site may take some time to acquire.

5.3.2. Details of the Option

In this option, the capital costs to the City are limited to its own project oversight costs, including a compliance consulting team and internal project management. However, the City would need to commit to a long term lease and the ongoing operating costs associated with the lease.

The same three-storey floor plate breakdown as proposed for Option 2 (**Appendix B**) has been applied to this Option, requiring a site area of approximately 25,000 sq. ft. The same underground parking provisions as outlined in Option 2 have been included in the Option 3 costs.

To implement this Option, the City would issue a Request for Proposals (RFP) to invite proposals from Design-Builders. The RFP would contain an Owner's Statement of Requirements that would define the City's minimum requirements with respect to space and financial structure, such as the length of the lease and any options. Design-Builders would develop schematic design proposals to respond to the requirements on a site, and would also provide a financial proposal offering lease terms in accordance with the framework established by the City.

For this Option, the site can be acquired in two different approaches: 1) the City can acquire a site and provide it to the Design-Builder; or 2) the City can request the Design-Builder to provide a site. We have assumed that the City will acquire a site because this advances the schedule, expands the pool of potential Design-Builders, and because it simplifies the selection among proposals by removing the site from the evaluation. The implications of site acquisition are shown in the Table below.

Table 5.3.2 – Site Acquisition Alternatives

| City Acquires Site | Design-Builder Acquires Site |
|----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Site acquisition can start immediately, RFP process needs less time. | Site acquisition occurs during the RFP process, requiring at least 3 months longer. |
| RFP would be open to any Design-Builder. | RFP would only be open to Design-Builders who owned land, or could negotiate a conditional agreement of purchase and sale. |
| Selection of proposals is on the merit of the design and financing | Selection of proposals is on the site offered, the merit of the design and financing - where the design and financing are affected by the site availability. |

In estimating the lease costs to the City, we have developed a financial analysis of a Design-Builder’s expected costs and return on investment based on the following assumptions:

- A design builder would finance 25% of the project through existing capital or leveraged assets and the remaining 75% through capital markets or a bank loan.
- The 75% loan or capital market investment would be at an interest rate of 5%.
- Total project delivery costs for the design builder would be less than the cost estimates used in Options 1, 2 and 4 due to design and delivery efficiencies achieved in the single-point of responsibility design-build model.
- POA would be tied to a minimum lease period of 25 years.
- Operating costs start in 2015 at \$12/sq. ft. and would increase at 2% per year.
- Base rent would increase at 10% every 5 years, reflecting inflation forecasts.
- The design-builder must achieve a minimum cap rate of 10% over the committed lease period.

5.3.3. Benefits

- Minimal capital commitment required from the City.
- Reduced risk through design and construction.

5.3.4. Key Risks

- Identifying and contracting with a design builder that possess suitable experience and is in a position to offer the City a Design-Build / Lease-Back option may take several months and could delay and/or compromise project delivery under this approach.

- Land has not be acquired that would suit the needs of the POA Courthouse. This could result in a significant delay before Option 3 can be implemented. City Real Estate has noted that there may be suitable 25,000 sq. ft. sites available in the downtown core, however land acquisition would be at the ultimate discretion of the design-builder.
- Soliciting outside financing through a design builder presents the risk of the design builder defaulting on their loan and losing the financing for the project. This would compromise the project schedule, if not the entire project delivery process.
- It is possible that the only suitable sites are on the periphery of the downtown core where there may be less public parking available for staff and visitors.

5.3.5. Project Cost

With this option the core construction cost (materials and labour) are assumed to be the same as for Option 2. However, under this option, design costs are expected to be lower (7% vs. 10% for Option 2) because of the Design-Build contract structure. Further, the design builder’s costs do not include the owner’s contingency (for owner-initiated changes) and thus the project cost for the design builder is assumed to be reduced to \$30.9M. As such, the City’s project costs are comprised strictly of the external soft costs and project contingencies as follows:

- Preparation of Owner’s Statement of Requirements;
- Project Management of Owner’s Consultant Team;
- Owner’s Contingency;
- Move Management.

Note, however, that the design-build, lease back approach permanently impacts future operating costs over the assumed 25 year amortization period. The Net Present Project Cost shown below reflects the net present value of this lease commitment in addition to the soft costs noted above.

| | |
|------------------------------------|----------------|
| Project Capital Cost ¹⁹ | \$ 5.8M |
| Gross Floor Area | 49,200 sq. ft. |
| Project Cost per Square Foot | \$ 118 |
| Net Present Project Cost | \$ 47.5M |

19 Recommended budget amount based on our cost estimate, plus a 25% margin of error.

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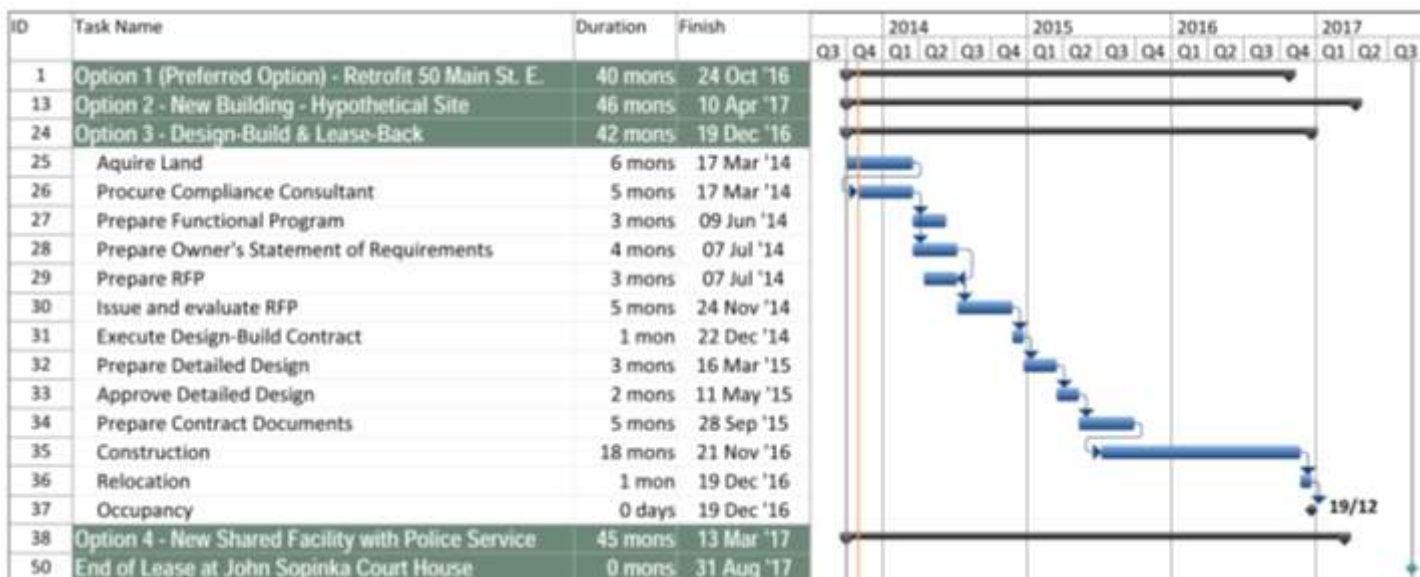
5.3.6. Potential Early Termination Savings

As discussed below, the expected schedule will allow the early termination of the lease at the JSCH, saving approximately 8 months of rent at a total of about \$123,000.

5.3.7. Timeline

This schedule has allowed for a 6 month land acquisition process. The project schedule will run to September 2016 which gives about 11 months before the August 2017 lease termination at JSCH.

Figure 5.3.7 – Projected Schedule – Option 3



Total duration of Options 1, 2 and 4 and current end of lease are shown for comparison purposes.

5.3.8. Conclusions

Option 3 significantly reduces the capital required. With proper owner representation and thoughtful planning in the Owner’s Statement Requirements, Option 3 reduces the overall design and construction risk to the City by offering a single point of responsibility for project delivery.

However, Option 3 is the most expensive option when measured on the net present cost over the 25 year time horizon. Further, other options could have lower requirement for capital – Option 1B shows that the requirement for capital could be reduced to zero by fully financing the capital through debentures while

minimizing the net present cost. Finally, this option presents a significant risk of schedule delays because of the uncertainty related to land acquisition.

Options 1 and 2 remain significantly better solutions in both physical and economic terms. The costs of Option 3 are summarized in the table below.

| Element | Option 3 Cost |
|----------------------------------------------|----------------------|
| Total Project Capital Cost ²⁰ | \$ 5.8M |
| Gross Floor Area (sq. ft.) | 49,200 |
| Project Capital Cost per Square Foot | \$ 118 |
| Net Present Early Termination Savings (JSCH) | (\$ 0.1M) |
| Proceeds from sale of 50 Main Street E | (\$5.6M) |
| Net Present Cost of Lease | \$ 47.4M |
| Net Present Project Cost | \$ 47.5M |

5.4. Option 4 - New Shared Facility with Hamilton Police Services

5.4.1. Overview

Option 4, to construct new facilities for the POA Offices in conjunction with another building, was assessed in the context of combining the POA Offices with the proposed new HPS Investigative Services Building. This is an attractive Option in many respects but is more expensive than Option 1.

5.4.2. Details of the Option

HPS representatives and their Project Managers were interviewed to explore the possibility of having HPS and POA Offices combined in a shared facility. Early planning concepts for a proposed new Police Services building were reviewed. We understand that a site of approximately 70,000 sq. ft. has been acquired by the City at the intersection of King William St and Mary St and is intended for the construction of a new HPS facility. This new facility will house the investigative units in a building of 2-3 storeys totaling 50,000 sq. ft. with a floor plate of approximately 15,000 to 20,000 sq. ft. The preliminary facility program is based on HPS space needs as defined in 2009. It is likely that there will be an

²⁰ Recommended budget based on our cost estimate + 25% margin of error.

increased requirement for space by the earliest completion of the building in 2016.

Appendix B- Shared Facility Floor Plate Breakdown illustrates how the space required by the POA would be allocated to each floor. Some additional floor area is necessary because of the POA spaces are above the first floor, such as an additional lobby area at ground level. The total floor area required is approximately 49,200 sq. ft. This space would be distributed over three floors, creating a building height of six storeys, which is within the zoning limit of eight storeys. With a building footprint of approximately 18,000 sq. ft., this leaves approximately 52,000 sq. ft. of site area for parking, walkways, landscaping, and future expansion²¹.

HPS confirmed that the following provisions were possible, in principle:

- Six parking spaces for Justices of the Peace could be allocated within the planned underground parking garage.
- The site and parking garage could accommodate two dedicated sally ports; one for HPS at ground level, and one underground for POA use.
- Separate entrances/lobbies and elevator banks to service HPS and POA.
- Separate security passes could be provided for each user group to control building access should there be any shared services.

5.4.3. Benefits

- Improved ability to attract grant money from provincial and/or federal sources given the shared site efficiencies that would be gained. The shared Fire/EMS facility that was recently completed was cited as an example of such a partnership.
- Reduced core and shell construction costs through shared costs of foundations, roof and economies of scale in electric and mechanical systems.
- The security management of the entire building would be consistent with the needs of the POA courts because the HPS site security requirements are on par with, if not greater than, those of the POA.

21 Should the City determine some portion of this excess land is not needed, it could theoretically be sold off.

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- Potential to share core building functions such as a staff lunch area, reception, and/or boardrooms. HPS indicated that a boardroom capable of accommodating 75-100 is needed, ample in size to accommodate POA's stated needs. Such a boardroom could be designed to be divisible to enhance flexibility and utilization. Shared facilities would reduce construction costs.
- 70,000 sq. ft. of underground parking would be constructed; however the majority would be allocated for HPS fleet. Paid surface parking will be abundant for staff and visitors. Assuming HPS consumes the majority of underground parking facilities, POA costs for secure underground parking are much less than if building a single-use POA facility.
- HPS would prefer to occupy the ground floor to reduce frequency of evidence transport, with investigative laboratories also planned for the ground floor. This is to the benefit of the POA Office as courtrooms are better located on upper level floors for security reasons. HPS did not specify a preferred frontage.
- HPS could provide secure facility operations services for the entire building, eliminating the need for outsourced contract services. This would not likely garner any operational cost savings however, as it is assumed the costs would be transferred internally.
- The proposed location could be connected to the City's district energy system for reduced energy costs with a lower environmental footprint. (This benefit is not assumed in the quantitative analysis.)

5.4.4. Key Risks

- The project cannot proceed until HPS secures project funding which could delay the project beyond acceptable timelines for the POA Office.
- The public may perceive an inappropriate connection between the POA and HPS if they are located in one facility. This could be substantially mitigated by providing two separate addresses on different streets for each use.
- There is a risk that a detailed analysis of the program requirement could reveal major points of conflict that were not covered in this study and may become insurmountable obstacles to a shared facility.

5.4.5. Project Cost

The expected project cost for Option 4 is shown below.

| | |
|------------------------------------|----------------|
| Project Capital Cost ²² | \$ 27.6M |
| Gross Floor Area | 49,200 sq. ft. |
| Project Cost per Square Foot | \$ 561 |
| Net Present Project Cost | \$ 21.9M |

The cost of Option 4 (above) includes a 50% share of the cost to purchase the HPS site at \$19/ sq. ft. The cost reported above **does not include** the construction costs identified by HPS for their space (approximately \$20M) in a shared facility.

5.4.6. Potential Early Termination Savings

As discussed below, the expected schedule will allow the early termination of the lease at the JSCH, saving approximately 5 months of rent at a total of about \$76,000. (No reduction is made for additional rent as equivalent costs would be required in the new location).

5.4.7. Timeline

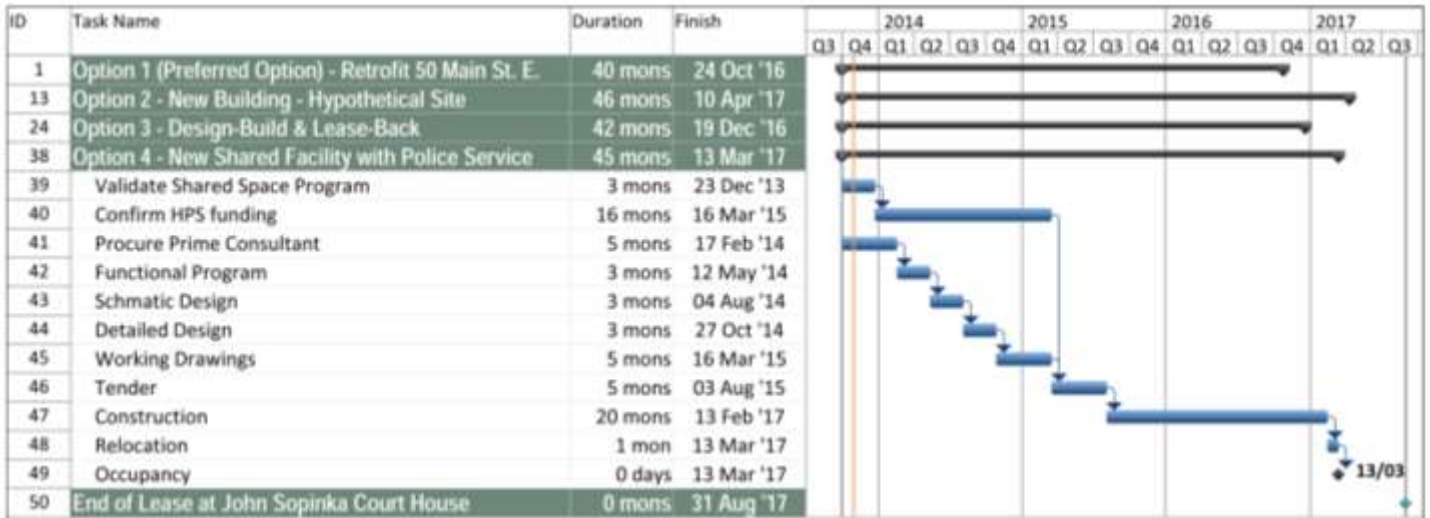
This schedule reflects our understanding of the planned pace of work for the new police services building, as indicated by the HPS project team.

It is understood that funding has been secured by HPS to cover the costs of design development up to working drawings/tender, and HPS anticipates securing project funding for the construction costs of the project in 2014. It is anticipated that a prime consultant will be procured within the next two or three months, and will begin to update the functional programming. We expect that the POA Office could move in during June 2016, vacating JSCH 14 months ahead of their August 2017 lease expiry. The schedule reflects the additional time required during functional programming, schematic design, and construction for a larger, shared facility.

22 Recommended budget amount based on our cost estimate of \$17.2M + 25% margin of error.

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Figure 5.4.7 – Projected Schedule – Option 4



Total duration of Options 1, 2 and 3 and current end of lease are shown for comparison purposes

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5.4.8. Conclusion

Option 4 could be an effective option for housing the POA offices and courtrooms. However, Option 4 may have a greater risk of schedule delays with coordination of two user groups and the cost of Option 4 is greater than Option 1. Further, the location is further from the JSCH and this will eliminate the potential for flexible scheduling of Justices of the Peace. The location also may make it challenging to create an identity for the POA courts that is separate and distinct from the HPS Investigative Building.

| Element | Option 4 Cost |
|----------------------------------------------|----------------------|
| Total Project Capital Cost ²³ | \$ 27.6M |
| Gross Floor Area (sq. ft.) | 49,200 |
| Project Capital Cost per Square Foot | \$ 561 |
| Net Present Early Termination Savings (JSCH) | (\$ 0.1M) |
| Proceeds from sale of 50 Main Street E | (\$5.6M) |
| Net Present Project Cost | \$21.9M |

23 For POA space only, does not include cost to construct HPS spaces or a credit for the sale of 50 Main St E. Includes shared building savings, i.e. foundations, roofing. Recommended budget amount based on our cost estimate, plus a 25% margin of error.

6. Annual Cost Analysis

The focus of this report was to review the relative costs of a number of Options to provide long-term space for the POA. In this analysis we did not include energy and operations costs because these are expected to be substantially the same, regardless of the option and therefore would not affect the selection of the preferred Option. However, having determined the most promising Options, there is value in comparing the annual facility costs with the current situation. Further, exploring costs in a different analytical framework validates the conclusions of this report. Finally this approach allows the City to assess the incremental impact to current operating costs and the City’s budget.

Table 6.1 below, shows the current annual facility costs for the POA, Legal, HR/Finance, Risk Management and Return to Work departments but does not include revenues. Table 6.2, following, shows the projected annual facility costs for these departments if they were relocated to 50 Main Street E, also not including revenues. In this analysis, we allocated the capital costs to each department assuming a 20-year straight line depreciation. The capital costs include a proportionate share of the cost to upgrade the existing base building (net of any credit from the HUC for district heating infrastructure) at a cost of \$135/sq. ft. The capital costs also include the costs of interior fit-out. For the POA, the cost of interior fit-out is \$170/sq. ft. based on the needs of the POA. For all other departments the cost of interior fit-out is assumed to be \$80/sq. ft., which is typical for a moderate office environment. Finally, capital costs include new furniture, fixtures and equipment (FF&E) at an estimated cost of \$6,000 per person. A typical workstation is estimated to cost about \$4,000 including desks and fittings; the remaining \$2,000 per person represents the expected proportionate share of meeting room furniture and other loose furniture.

Table 6.1 – Comparison of Annual Facility Costs – Current

| Current Location | POA | Legal | HR/ Finance | Risk Mgmt | Return to work |
|-----------------------------|----------------|----------------|------------------------|----------------------|---------------------------|
| Rentable Area | 16,034 | 12,417 | 32,549 | 3,107 | 2,352 |
| Current net rent/sf. | 11.50 | 10.00 | 10.00 | 10.50 | 8.00 |
| Current Additional Rent/sf. | 10.00 | 8.00 | 8.00 | 10.25 | 10.25 |
| Internal Cleaning/sf. | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Annual Facility Cost | 377,000 | 248,000 | 651,000 | 71,000 | 48,000 |
| Annual Facility Cost /sf. | 23.50 | 20.00 | 20.00 | 22.75 | 20.25 |

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Table 6.2 – Comparison of Annual Facility Costs – Projected at 50 Main Street E.

| 50 Main Street E. | POA | Legal | HR/ Finance | Risk Mgmt | Return to work | Total |
|--------------------------------------|------------------|----------------|------------------------|----------------------|---------------------------|------------------|
| Rentable Area | 48,800 | 12,417 | 32,549 | 3,107 | 2,352 | |
| Project Cost per Square Foot | 405 | 250 | 250 | 250 | 250 | |
| Total Capital (incl. fit out) | 19.8M | 3.1M | 8.1M | 0.78M | 0.59M | 32.4M |
| Depreciation at 5% | 990,000 | 155,000 | 405,000 | 39,000 | 29,000 | 1,618,000 |
| Energy costs (\$1.50/sq. ft.) | 73,000 | 19,000 | 49,000 | 5,000 | 4,000 | 150,000 |
| Operations costs (\$5/sq. ft.) | 244,000 | 62,000 | 163,000 | 16,000 | 12,000 | 497,000 |
| Annual Facility Cost | 1,307,000 | 236,000 | 617,000 | 60,000 | 45,000 | 2,265,000 |
| Savings | (930,000) | 12,000 | 34,000 | 11,000 | 3,000 | (870,000) |
| Annual Facility Cost/sq. ft. | 26.78 | 19.01 | 18.96 | 19.31 | 19.13 | |
| Savings/sq. ft. | (3.28) | 0.97 | 1.04 | 3.54 | 1.28 | |

From this analysis, it appears it would be less costly to accommodate the four other departments reviewed in 50 Main Street East after it had been renovated, assuming that capital costs are apportioned based on a 20 year straight line amortization. The operating costs for locating POA in 50 Main St E are higher than the current cost, but this is due to the amortized capital costs which are relatively high due to their unique fit out requirements. This increase would apply for all of the relocation options considered in the report.

7. Keep or Sell 50 Main Street East

In reviewing the decision to keep or sell 50 Main Street East we have considered the value of the building as a residual based on the financial benefit the City would derive from keeping the building. This residual value is compared to benchmark property prices to identify the potential for selling the property at a price that is greater than the residual value to the City. We note that this is a very high level analysis to determine if a more detailed review is warranted.

The review specifically does not include any assessment of the strategic value of the property or any other City objectives besides the need to provide space for the POA upon the termination of its lease.

7.1. Residual Value

The residual value of 50 Main Street East is considered from the perspective of the cost of providing needed space for the POA. The building at 50 Main Street East is the most cost effective option to provide space for the POA. The residual value is calculated as the incremental cost to proceed with the next most affordable option (25 year NPV).

If the City is prepared to fund the HPS project, then Option 4 is next most affordable (after Option 1), with a residual value of \$7.7M. This translates to a required land value of \$85/sq. ft.

If the City is not prepared to fund the HPS project, then Option 2 is the next most affordable (after Option 1) with a residual value of \$19.2M for 50 Main St E. This translates to a required land value of \$212/sq. ft.

7.2. Benchmark Land Values

To obtain a very high level view of potential selling price, we have examined several benchmark valuations. Land values are expressed as \$/sq. ft. of land area and the sale price is based on the 50 Main Street E site area of 2.08 acres or 90,500 sq. ft. as per the Hamilton assessment database.

We note that the value of the property depends a great deal on whether the purchaser is buying the land for the building value or the land value. We have assumed that, the site would be valued for land only because the building requires extensive upgrades and because the site is not intensively developed. We have reviewed the cost of upgrades in our analysis of Option 1 and it would require a considerable investment to renew the building. The existing building does not take full advantage of the development potential of the site. The building has a Floor Space Index of 1.24 and a

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height of 5 storeys. The Zoning Bylaw 05-200, Schedule F permits a height of 22 storeys. It appears that Floor Space Index is not regulated directly and is only limited by the ability to provide the required parking. We estimate that it would be possible to develop a Floor Space Index of 10 or greater. This leads us to conclude that the value of the property is in the development potential of the land.

Sale of School Board Offices to McMaster

From our review of this transaction, we understand that the 3.2 acre property was sold for \$8.6M after adjustments for building demolition, or a land value of approximately \$62/sq. ft. This would imply a sale price of \$5.6M for 50 Main Street E.

Advice from City Real Estate

Staff from City Real Estate recommended using a land value of \$55/sq. ft. for vacant land for our analysis of Option 2. Based on this value, a sale price of \$5.0M could be expected.

7.3. Requirement to Cover Minimum Residual Value

From this examination of benchmark values, it is highly unlikely that the market value of the property would be sufficient to yield a sale price that would meet even the lowest residual value estimate (see Section 7.1). Therefore the City will derive greater value from retaining 50 Main Street E than from selling it.

8. Conclusions and Recommendations

8.1. Preferred Option

The preferred long term relocation solution is Option 1, to renovate 50 Main Street E into POA Offices and court rooms. This Option is preferred for the following reasons:

- Option 1 is the least costly solution to providing space for the POA, whether measured in capital cost or net present cost.
- In addition to providing the space needed for the POA, by renovating the entire base building, this option provides additional space of approximately 60,000 sq. ft. which can be available for other City functions or for lease.
- Assuming a discount rate at 6.5% and an equal loan interest rate for construction financing, the net present cost for financing (Option 1B) is equal to the net present cost of allocating City Capital Reserves (Option 1A). Therefore, the selection between Option 1A and Option 1B can be made on the basis of availability of capital.
- From the perspective of annual departmental costs per sq. ft. (including the 20-year amortization of capital costs for renovation and relocation) 50 Main Street E. will be less expensive than the current locations for the other departments considered. POA will be more costly but this is because of the high level of fit-out costs required for court functions.
- This location is ideal for all users of the POA Offices – it is convenient to City Hall for staff, it is immediately across the street from JSCH for Justices of the Peace and staff, and it has ideal transit access;
- The building is already owned by the City and thus the project could be commenced immediately;
- This Option does not rely on other partners (as required for Options 3 and 4) and thus there is no risk of delay if partner funding or default becomes an obstacle.

The table below summarizes the quantitative aspects of the analysis purely from the perspective of meeting the POA Office space needs.

Table 8.1 – Summary of Option Evaluation (POA Perspective)

| | Option 1A 50 Main St E Capital Funding | Option 1B 50 Main St E Financed | Option 2 New Building | Option 3 Design-Build / Lease-Back | Option 4 Shared Site with HPS |
|-------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------|----------------------------------|---------------------------------------------------|----------------------------------------------|
| Total Project Capital Cost²⁴ | \$27.0M | \$0 | \$39.2M | \$5.8M | \$27.6M₂₅ |
| Gross Floor Area | 112,000 | 112,000 | 49,200 | 49,200 | 49,200 |
| Project Capital Cost/sq. ft. | \$242 | \$0 | \$798 | \$118 | \$561 |
| Lease Savings at JSCH | (\$0.2M) | (\$0.2M) | (\$0.1M) | (\$0.1M) | (\$0.1M) |
| Proceeds from sale of 50 Main Street E | \$0 | \$0 | (\$5.6M) | (\$5.6M) | (\$5.6M) |
| Net Present Value of Lease Savings (other Depts) | (\$7.0M) | (\$7.0M) | \$0 | \$0 | \$0 |
| Net Present Project Costs | \$19.8M | \$19.8M | \$33.5M | \$47.5M | \$21.9M |
| Earliest Availability | Mar/16 | Mar/16 | Sep/16 | Sep/16 | Jun/16 |

8.2. Total Capital Cost Perspective

While the focus of this study is to discover the best way to accommodate the needs of the POA, the City should also consider the total capital requirements. This is particularly important because Option 4 envisions a dual-purpose facility that addresses both POA and HPS space needs. Option 4 can only exist if the City also commits the capital necessary to construct the HPS building. The advantage of Option 4 over Option 2 arises because some building costs are shared with the HPS building and there are additional economies of scale with a larger building. The table below summarizes the Options from the perspective of total capital cost to the City including the additional capital cost of constructing the HPS building:

²⁴ Cost includes plus 25% margin of error. Option 4 excludes cost to construct HPS space.

²⁵ Does not include the additional capital required to accommodate the HPS requirements, see section 1.5.2.

Table 8.2 – Summary of Option Evaluation (Total Capital Cost)

| | Option 1A 50 Main St E Capital Funding | Option 1B 50 Main St E Financed | Option 2 New Building | Option 3 Design-Build / Lease-Back | Option 4 Shared Site with HPS |
|-------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------|----------------------------------|---------------------------------------------------|----------------------------------------------|
| Total Project Capital Cost²⁶ | \$27.0M | \$0 | \$39.2M | \$5.8M | \$47.6M |
| Gross Floor Area | 112,000 | 112,000 | 49,200 | 49,200 | 49,200 |
| Project Capital Cost/sq. ft. | \$242 | \$0 | \$798 | \$118 | \$561 |
| Lease Savings at JSCH | (\$0.2M) | (\$0.2M) | (\$0.1M) | (\$0.1M) | (\$0.1M) |
| Proceeds from sale of 50 Main Street E | \$0 | \$0 | (\$5.6M) | (\$5.6M) | (\$5.6M) |
| Net Present Value of Lease Savings (other Depts) | (\$7.0M) | (\$7.0M) | \$0 | \$0 | \$0 |
| Net Present Project Costs | \$19.8M | \$19.8M | \$33.5M | \$47.5M | \$41.9M |
| Earliest Availability | Mar/16 | Mar/16 | Sep/16 | Sep/16 | Jun/16 |

We also considered the implications of the City allocating funding to construct a building for the HPS at some point in the future if Option 4 was not selected. It appears that, regardless of the Option, the likely cost to construct a new HPS building would be about \$20M, the same for all options. However, in this case, the project cost for the HPS building would be approximately \$650,000 higher than it would have been for Option 4 because the cost of the land would not be shared with the POA building. This difference is not sufficient to change the relative ranking of options, which would be the same as identified in Table 8.1 above.

8.3. Retention of 50 Main Street E

From a purely economic assessment, if the City wishes to entertain an offer for purchase of 50 Main Street E, it should seek a land value of \$85/sq. ft. for a sale price of \$7.7M for the property as is. Based on benchmark land values, we believe it is unlikely that the City would receive this sale price and thus we recommend that the City should plan to retain 50 Main Street E.

²⁶ Cost includes plus 25% margin of error. Option 4 excludes cost to construct HPS space.

8.4. Considerations for Timing

If no temporary court room is created (as recommended by our companion report) then there is a lost opportunity for revenue that could be generated by having additional court rooms. To minimize the lost revenue, we recommend expediting the completion of the long term solution. We have observed that there may be opportunities to advance the project schedule. If the project is completed earlier, every month saved in the schedule can generate additional revenue of \$130,000. We strongly encourage a review of process times and phasing with the objective of compressing the schedule and maximizing the revenue potential.

8.5. Potential for Leased Space for POA

We did not analyze the potential for accommodating the POA's long term needs in leased space because the following special requirements for the POA are unlikely to be found in an existing building:

- A Sally Port and prisoner handling areas would require a building that has an internal loading bay that could be allocated to the POA, or below-grade parking areas with sufficient overhead clearance for a prisoner transfer vehicle, and must have available interior space immediately adjacent. Most commercial buildings minimize the available loading spaces, minimize clear height in parking garages, and minimize the interior spaces at basement levels.
- Secure underground parking for Justices of the Peace would require a building in which a portion of the below-grade parking could be cordoned off for POA purposes.
- Secure elevator access for Justices of the Peace and prisoner transport would require the installation of a new private elevator or the creation of a dual door elevator with a controls upgrade to provide secure access. Most commercial office buildings have a concrete core that would make it impractical to convert an existing elevator to a dual door approach.
- POA seeks the ability to secure the entire building and therefore to allow free flow within the building. These security requirements could be met in a small building in which the POA would be the only tenant, or if an entry point and elevators could be allocated for POA use only. However, we believe there is limited potential for such a building.

Even if a building could be found that was available for lease and could be configured to meet POA standards, leasing would appear to be more expensive than renovation of 50 Main Street E. The analysis in Section 6 demonstrated that the facility costs for departments currently in leased spaces would be greater than in 50 Main Street E. We

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were advised by the Real Estate department that the leases for Legal, HR, Finance, Risk Management and Return to Work are at, or below, the lowest expected market lease rates. It is unlikely that comparable, or lower, lease rates could be obtained. Therefore, a leased solution for the POA is not only unlikely to be obtained, but if it were, would also be more expensive than renovation of 50 Main Street East.

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Appendix A - Space Analysis

**Table A – Long-term Solution: Complete Relocation Requirements
(w/ 5 year growth forecast)**

| SPACE USE | UNIT SQ.FT. | Quantity | Extended SQ.FT. | NOTES |
|--------------------------------------|-------------|----------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Courtrooms + Ancillary Spaces | | | | |
| X-Large Courtroom | 1,875 | 1 | 1,875 | MAG G7 x 15% larger for more seating above the bar than currently available at JSCH (public seating for 65). |
| Interview Room | 135 | 4 | 540 | MAG I34 (2.8m x 3.1m) x 40% for BFDG compliance (2.5m x 5m for two wheelchairs) |
| Large Courtroom | 1,630 | 2 | 3,260 | MAG G6 Standard Non-Jury Courtroom with public seating for 65. |
| Interview Room | 135 | 6 | 810 | MAG I34 (2.8m x 3.1m) x 40% for BFDG compliance (2.5m x 5m for two wheelchairs) |
| Early Resolution Interview Room | 135 | 2 | 270 | |
| Small Courtroom | 1,127 | 3 | 3,381 | MAG G6 Standard Non-Jury Courtroom with public seating for 45 |
| Interview Room | 135 | 6 | 810 | |
| Attorney Cloak Room | 50 | 1 | 50 | |
| Courtroom Waiting Area | 11 | 176 | 1,901 | MAG G59: Std courtroom (small) 10.8sft per seat (20 seats). Large courtroom + 30% (26 seats). X-large + 50% (30 seats). One large courtroom with 60 seats for ER. |
| Holding Cells | 56 | 3 | 168 | Assume single washroom size per BFDG (2.4m x 2.15m)- MAG J6 for holding cells (2.4 x 1.85) |
| Holding Cell Corridor | 50 | 1 | 50 | MAG J6 1.83m wide corridor, BFDG compliant. Includes work area. |
| Sally Port | 571 | 1 | 571 | MAG J17 |
| Public Washrooms | 344 | 2 | 688 | One M, One F, One BF per floor |

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| Judiciary | | | | |
|----------------------------------------------------|--------------------|-----------------|------------------------|-------------------------------------------------------------------------------------------------------------|
| SPACE USE | UNIT SQ.FT. | Quantity | Extended SQ.FT. | NOTES |
| Justice of the Peace's Office | 339 | 6 | 2,034 | MAG H2 for Judges- includes private washroom. |
| Justice of the Peace Primary Intake Court | 177 | 1 | 177 | MAG K66 |
| Justice of the Peace Lounge & Meeting | 1350 | 1 | 1,350 | MAG H8 for Judges (Lounge + Kitchen+ meeting) |
| Justice of the Peace Barrier Free Washroom | 56 | 2 | 112 | |
| Provincial Offences Offices- Prosecution | | | | |
| Prosecutor Office | 168 | 11 | 1,848 | COH office standard (14x12) |
| Municipal Prosecution Assistant | 80 | 4 | 720 | COH workstation standard (8x10) |
| Prosecution Print/Copy Area | 64 | 1 | 64 | Per current space |
| Prosecution Secure File Storage | 144 | 1 | 144 | Per current space- consolidated |
| Prosecution Library/Small Meeting | 145 | 1 | 145 | |
| Public Reception Window/Service Counter | 10 | 1 | 10 | within eyesight of prosecution work area |
| Provincial Offences Offices- Administration | | | | |
| Court Administration Offices | 168 | 2 | 336 | COH office standard (14x12) |
| Court Reporter Workstation | 80 | 9 | 720 | COH workstation standard (8x10) |
| Court Administration Clerk | 80 | 20 | 1,600 | COH workstation standard (8x10), incl. Sr. Court Admin Clerk, Financial Analyst. Includes Cashier positions |
| Public Queue Lobby | 1,229 | 1 | 1,229 | Per current space + 20% |
| Court Administration Print/Copy area | 146 | 1 | 146 | MAG K54. Centralized copy area (LEED std for air sealing), document processing (binding etc) |
| Cashier File Storage + Low volume printer | 45 | 1 | 45 | 13 file cabinets @ 3sft/each + 5sft printer |
| Court Administration File Storage | 250 | 1 | 250 | Per current space |
| Exhibit Storage | 228 | 1 | 228 | MAG K36 (38sft/courtroom) |
| Vault | 48 | 1 | 48 | Per current space |
| Aged Payment Record Storage | 350 | 1 | 350 | Per current space |
| Provincial Offences Offices- Shared | | | | |

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| SPACE USE | UNIT SQ.FT. | Quantity | Extended SQ.FT. | NOTES |
|----------------------------------------|--------------------|-----------------|------------------------|---------------------------------------------------------------------------------------|
| Lunch Room | 497 | 1 | 464 | MAG I49 Prosecution + POA Shared (46 staff @ 10.8sft/person) |
| Administration & Prosecution Washrooms | 325 | 2 | 650 | 38 people- 1 male, 1 female with barrier free stalls in each |
| Large Meeting Room | 428 | 1 | 428 | MAG K58- 22 person capacity (24.76sft/person up to 10 + 15.07sft/person after) |
| First Aid Room/Rest Room | 73 | 1 | 73 | MAG K22 (no washroom) |
| Building Security | | | | |
| Building Entrance Security | 25 | 1 | 25 | Per current space |
| Special Constable-Kitchenette | 43 | 1 | 43 | MAG I49 + K19 (10.8sft/person incl. counter). Max 3-4 people |
| Special Constable- Locker Area | 86 | 2 | 172 | MAG M34 (washroom) + MAG I49 (lockers 19.87sft/person) one male room, one female room |
| Operations | | | | |
| Janitorial Closet | 23 | 2 | 47 | MAG I38- one per floor |
| Lobby | 200 | 1 | 200 | |
| Storeroom | 87 | 1 | 87 | MAG I38 (87.4sft) |
| Electrical Room | 48 | 1 | 48 | |
| Mechanical Room | 200 | 1 | 200 | |
| IT/Communications/Data | 80 | 1 | 80 | |
| Garbage/Recycling | 60 | 1 | 60 | |
| TOTAL | | | 27,797 | |
| | | | 40,360 | with 45% circulation |
| | | | 48,433 | with 20% gross up |
| JP Parking | 350 | 30 | 10,500 | |

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Appendix B - Shared Facility Floor Plate Breakdown

Table B – Breakdown of Spaces by Floor Level

| SPACE USE | Unit Sq.Ft. | No. | Total Sq.Ft. | Level 1 | | Level 2 | | Level 3 | | NOTES |
|--------------------------------------------|-------------|-----|--------------|---------|--------|---------|--------|---------|--------|-------------------------------------------------------------------------------------------------------------------------|
| | | | | No. | Sq.Ft. | No. | Sq.Ft. | No. | Sq.Ft. | |
| Courtrooms + Ancillary Spaces | | | | | | | | | | |
| X-Large Courtroom | 1,875 | 1 | 1,875 | 0 | 0 | 0 | 0 | 1 | 1,875 | MAG G7 x 15% larger for more seating above the bar than currently available at JSCH (public seating for 65). |
| Interview Room | 135 | 4 | 540 | 0 | 0 | 0 | 0 | 4 | 540 | MAG I34 (2.8m x 3.1m) x 40% for BFDG compliance (2.5m x 5m for two wheelchairs) |
| Large Courtroom | 1,630 | 2 | 3,260 | 0 | 0 | 0 | 0 | 2 | 3,260 | MAG G6 Standard Non-Jury Courtroom with public seating for 65. |
| Interview Room | 135 | 6 | 810 | 0 | 0 | 0 | 0 | 6 | 810 | MAG I34 (2.8m x 3.1m) x 40% for BFDG compliance (2.5m x 5m for two wheelchairs) |
| Early Resolution Interview Room | 135 | 2 | 270 | 0 | 0 | 0 | 0 | 2 | 270 | |
| Small Courtroom | 1,127 | 3 | 3,381 | 0 | 0 | 3 | 3,381 | 0 | 0 | MAG G6 Standard Non-Jury Courtroom with public seating for 45 |
| Interview Room | 135 | 6 | 810 | 0 | 0 | 6 | 810 | 0 | 0 | |
| Courtroom Waiting Area | 11 | 176 | 1,901 | 0 | 0 | 60 | 648 | 112 | 1,210 | MAG G59: Std courtroom (small) 10.8sft per seat (20 seats). Large courtroom + 30% (26 seats). X-large + 50% (30 seats). |
| Holding Cells | 56 | 3 | 168 | 0 | 0 | 3 | 168 | 0 | 0 | Assume single washroom size per BFDG (2.4m x 2.15m)- MAG J6 for holding cells (2.4 x 1.85) |
| Holding Cell Corridor | 12 | 1 | 12 | 0 | 0 | 1 | 11.8 | 0.0 | 0.0 | MAG J6 1.83m wide corridor, BFDG compliant |
| Sallyport | 571 | 1 | 571 | 0 | 0 | | 0 | 0 | 0 | MAG J17- Assume in HPS space/parking garage |
| Attorney Cloak Room | 50 | 1 | 0 | 0 | 0 | 1 | 25 | 1 | 25 | one per court floor |
| Public Washrooms | 344 | 3 | 1,032 | 1 | 344 | 1 | 344 | 1 | 344 | One M, One F, One BF per floor |
| Judiciary | | | | | | | | | | |
| Justices of the Peace Offices | 339 | 6 | 2,034 | 0 | 0 | 3 | 1,017 | 3 | 1,017 | MAG H2 for judges- includes private washroom. |
| JP Primary Intake Court | 177 | 1 | 177 | 0 | 0 | 1 | 177 | 0 | 0 | MAG K66 |
| JP Lounge & Meeting | 1350 | 1 | 1,350 | 0 | 0 | 1 | 1,350 | 0 | 0 | MAG H8 for Judges (Lounge + Kitchen+ Meeting) |
| Justice of the Peace Barrier Free Washroom | 56 | 3 | 168 | 1 | 56 | 1 | 56 | 1 | 56 | |

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Provincial Offences Offices- Prosecution

| SPACE USE | Unit Sq.Ft. | No. | Total Sq.Ft. | Level 1 | | Level 2 | | Level 3 | | NOTES |
|-----------------------------------------|-------------|-----|--------------|---------|--------|---------|--------|---------|--------|------------------------------------------|
| | | | | No. | Sq.Ft. | No. | Sq.Ft. | No. | Sq.Ft. | |
| Prosecutor Office | 168 | 11 | 1,848 | 11 | 1,848 | 0 | 0 | 0 | 0 | COH office standard (14x12) |
| Municipal Prosecution Assistant | 80 | 4 | 320 | 4 | 320 | 0 | 0 | 0 | 0 | COH workstation standard (8x10) |
| Prosecution Print/Copy Area | 64 | 1 | 64 | 1 | 64 | 0 | 0 | 0 | 0 | Per current space |
| Prosecution Secure File Storage | 144 | 1 | 144 | 1 | 144 | 0 | 0 | 0 | 0 | Per current space- consolidated |
| Prosecution Library/Small Meeting | 145 | 1 | 145 | 1 | 145 | 0 | 0 | 0 | 0 | |
| Public Reception Window/Service Counter | 10 | 1 | 10 | 1 | 10 | 0 | 0 | 0 | 0 | Within eyesight of prosecution work area |

Provincial Offences Offices- Administration

| | | | | | | | | | | |
|-------------------------------------------|-------|----|-------|----|-------|---|---|---|---|-------------------------------------------------------------------------------------------------------------|
| Court Administration Offices | 168 | 2 | 336 | 2 | 336 | 0 | 0 | 0 | 0 | COH office standard (14x12) |
| Court Reporter Workstation | 80 | 9 | 720 | 9 | 720 | 0 | 0 | 0 | 0 | COH workstation standard (8x10) |
| Court Administration Clerk | 80 | 18 | 1,440 | 18 | 1,440 | 0 | 0 | 0 | 0 | COH workstation standard (8x10), incl. Sr. Court Admin Clerk, Financial Analyst. Includes Cashier positions |
| Public Queue Lobby | 1,229 | 1 | 1,229 | 1 | 1,229 | 0 | 0 | 0 | 0 | Per current space + 20% |
| Court Administration Print/Copy area | 146 | 1 | 146 | 1 | 146 | 0 | 0 | 0 | 0 | MAG K54. Centralized copy area (LEED std for air sealing), document processing (binding etc) |
| Cashier File Storage + Low volume printer | 45 | 1 | 45 | 1 | 45 | 0 | 0 | 0 | 0 | 13 file cabinets @ 3sft/each + 5sft printer |
| Court Administration File Storage | 250 | 1 | 250 | 1 | 250 | 0 | 0 | 0 | 0 | Per current space |
| Exhibit Storage | 228 | 1 | 228 | 1 | 228 | 0 | 0 | 0 | 0 | MAG K36 (38sft/courtroom) |
| Vault | 48 | 1 | 48 | 1 | 48 | 0 | 0 | 0 | 0 | Per current space |
| Aged Payment Record Storage | 350 | 1 | 350 | 1 | 350 | 0 | 0 | 0 | 0 | Per current space |

Provincial Offences Offices- Shared

| | Level 1 | Level 2 | Level 3 |
|--|---------|---------|---------|
|--|---------|---------|---------|

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| SPACE USE | Unit Sq.Ft. | No. | Total Sq.Ft. | No. | Sq.Ft. | No. | Sq.Ft. | No. | Sq.Ft. | NOTES |
|----------------------------------------|--------------|-----|---------------|---------|---------------|---------|---------------|---------|---------------|---------------------------------------------------------------------------------------|
| Lunch Room | 464 | 1 | 464 | 1 | 464 | 0 | 0 | 0 | 0 | MAG I49 Prosecution + POA Shared (38 staff) |
| Administration & Prosecution Washrooms | 325 | 2 | 650 | 2 | 650 | 0 | 0 | 0 | 0 | 38 people- 1 male, 1 female with barrier free stalls in each |
| Large Meeting Room | 428 | 1 | 428 | 1 | 428 | 0 | 0 | 0 | 0 | MAG K58- 22 person capacity (24.76sft/person up to 10 + 15.07sft/person after) |
| First Aid Room/Rest Room | 73 | 1 | 73 | 1 | 73 | 0 | 0 | 0 | 0 | MAG K22 (no washroom) |
| Building Security | | | | | | | | | | |
| Building Entrance Security | 25 | 1 | 25 | 1 | 25 | 0 | 0 | 0 | 0 | Per current space |
| Special Constable-Kitchenette | 43 | 1 | 43 | 1 | 43 | 0 | 0 | 0 | 0 | MAG I49 + K19 (10.8sft/person incl. counter). Max 3-4 people |
| Special Constable-Locker Area | 86 | 2 | 172 | 2 | 172 | 0 | 0 | 0 | 0 | MAG M34 (washroom) + MAG I49 (lockers 19.87sft/person) one male room, one female room |
| Operations | | | | | | | | | | |
| Janitorial Closet | 23 | 3 | 70 | 1 | 23 | 1 | 23 | 1 | 23 | MAG I38- one per floor |
| Lobby | 200 | 1 | 200 | 1 | 200 | | | | | |
| Storeroom | 87 | 1 | 87 | 1 | 87 | 0 | 0 | 0 | 0 | Assume on ground floor |
| Electrical Room | 48 | 1 | 48 | 0 | 0 | 1 | 48 | 0 | 0 | |
| Mechanical Equipment | 200 | 1 | 200 | 0.3 | 66 | 0.3 | 66 | 0.3 | 66 | |
| IT / Communications | 80 | 1 | 80 | 0 | 0 | 1 | 80 | 0 | 0 | |
| Garbage/Recycling | 60 | 1 | 60 | 1 | 60 | 0 | 0 | 0 | 0 | |
| | | | | Level 1 | | Level 2 | | Level 3 | | |
| | TOTAL | | 28,300 | | 10,000 | | 8,200 | | 9,500 | |
| | | | 41,000 | | 14,500 | | 11,900 | | 13,800 | with 45% circulation |
| | | | 49,200 | | 17,400 | | 14,300 | | 16,500 | with 20% gross up |
| Underground Parking Stalls | 350 | 30 | 10,500 | | | | | | | |

| ID | Task Name | Duration | Finish | 2014 | | | | 2015 | | | | 2016 | | | | 2017 | | | | | | | |
|----|--------------------------------------------------------------|----------|------------|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|----|----|--|--|
| | | | | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | | |
| 1 | Option 1 (Preferred Option) - Retrofit 50 Main St. E. | 40 mons | 24 Oct '16 | | | | | | | | | | | | | | | | | | | | |
| 2 | Negotiate turnover with McMaster | 6 mons | 17 Mar '14 | | | | | | | | | | | | | | | | | | | | |
| 3 | McMaster Transition and Move | 16 mons | 08 Jun '15 | | | | | | | | | | | | | | | | | | | | |
| 4 | Procure Prime Consultant | 5 mons | 17 Feb '14 | | | | | | | | | | | | | | | | | | | | |
| 5 | Prepare Functional Program | 3 mons | 12 May '14 | | | | | | | | | | | | | | | | | | | | |
| 6 | Prepare Schmatic Design | 3 mons | 04 Aug '14 | | | | | | | | | | | | | | | | | | | | |
| 7 | Prepare Detailed Design | 3 mons | 27 Oct '14 | | | | | | | | | | | | | | | | | | | | |
| 8 | Prepare Contract Documents | 5 mons | 16 Mar '15 | | | | | | | | | | | | | | | | | | | | |
| 9 | Conduct Tender | 5 mons | 03 Aug '15 | | | | | | | | | | | | | | | | | | | | |
| 10 | Construction | 15 mons | 26 Sep '16 | | | | | | | | | | | | | | | | | | | | |
| 11 | Relocate | 1 mon | 24 Oct '16 | | | | | | | | | | | | | | | | | | | | |
| 12 | Occupy | 0 days | 24 Oct '16 | | | | | | | | | | | | | | | | | | | | |
| 13 | Option 2 - New Building - Hypothetical Site | 46 mons | 10 Apr '17 | | | | | | | | | | | | | | | | | | | | |
| 14 | Aquire Land | 6 mons | 17 Mar '14 | | | | | | | | | | | | | | | | | | | | |
| 15 | Procure Prime Consultant | 5 mons | 17 Mar '14 | | | | | | | | | | | | | | | | | | | | |
| 16 | Prepare Functional Program | 3 mons | 09 Jun '14 | | | | | | | | | | | | | | | | | | | | |
| 17 | Prepare Schmatic Design | 3 mons | 01 Sep '14 | | | | | | | | | | | | | | | | | | | | |
| 18 | Prepare Detailed Design | 3 mons | 24 Nov '14 | | | | | | | | | | | | | | | | | | | | |
| 19 | Prepare Contract Documents | 5 mons | 13 Apr '15 | | | | | | | | | | | | | | | | | | | | |
| 20 | Conduct Tender | 5 mons | 31 Aug '15 | | | | | | | | | | | | | | | | | | | | |
| 21 | Construction | 20 mons | 13 Mar '17 | | | | | | | | | | | | | | | | | | | | |
| 22 | Relocate | 1 mon | 10 Apr '17 | | | | | | | | | | | | | | | | | | | | |
| 23 | Occupy | 0 days | 10 Apr '17 | | | | | | | | | | | | | | | | | | | | |
| 24 | Option 3 - Design-Build & Lease-Back | 42 mons | 19 Dec '16 | | | | | | | | | | | | | | | | | | | | |
| 25 | Aquire Land | 6 mons | 17 Mar '14 | | | | | | | | | | | | | | | | | | | | |
| 26 | Procure Compliance Consultant | 5 mons | 17 Mar '14 | | | | | | | | | | | | | | | | | | | | |
| 27 | Prepare Functional Program | 3 mons | 09 Jun '14 | | | | | | | | | | | | | | | | | | | | |
| 28 | Prepare Owner's Statement of Requirements | 4 mons | 07 Jul '14 | | | | | | | | | | | | | | | | | | | | |
| 29 | Prepare RFP | 3 mons | 07 Jul '14 | | | | | | | | | | | | | | | | | | | | |
| 30 | Issue and evaluate RFP | 5 mons | 24 Nov '14 | | | | | | | | | | | | | | | | | | | | |
| 31 | Execute Design-Build Contract | 1 mon | 22 Dec '14 | | | | | | | | | | | | | | | | | | | | |
| 32 | Prepare Detailed Design | 3 mons | 16 Mar '15 | | | | | | | | | | | | | | | | | | | | |
| 33 | Approve Detailed Design | 2 mons | 11 May '15 | | | | | | | | | | | | | | | | | | | | |
| 34 | Prepare Contract Documents | 5 mons | 28 Sep '15 | | | | | | | | | | | | | | | | | | | | |
| 35 | Construction | 18 mons | 21 Nov '16 | | | | | | | | | | | | | | | | | | | | |
| 36 | Relocation | 1 mon | 19 Dec '16 | | | | | | | | | | | | | | | | | | | | |
| 37 | Occupancy | 0 days | 19 Dec '16 | | | | | | | | | | | | | | | | | | | | |
| 38 | Option 4 - New Shared Facility with Police Service | 45 mons | 13 Mar '17 | | | | | | | | | | | | | | | | | | | | |
| 39 | Validate Shared Space Program | 3 mons | 23 Dec '13 | | | | | | | | | | | | | | | | | | | | |
| 40 | Confirm HPS funding | 16 mons | 16 Mar '15 | | | | | | | | | | | | | | | | | | | | |
| 41 | Procure Prime Consultant | 5 mons | 17 Feb '14 | | | | | | | | | | | | | | | | | | | | |
| 42 | Functional Program | 3 mons | 12 May '14 | | | | | | | | | | | | | | | | | | | | |
| 43 | Schmatic Design | 3 mons | 04 Aug '14 | | | | | | | | | | | | | | | | | | | | |
| 44 | Detailed Design | 3 mons | 27 Oct '14 | | | | | | | | | | | | | | | | | | | | |
| 45 | Working Drawings | 5 mons | 16 Mar '15 | | | | | | | | | | | | | | | | | | | | |
| 46 | Tender | 5 mons | 03 Aug '15 | | | | | | | | | | | | | | | | | | | | |
| 47 | Construction | 20 mons | 13 Feb '17 | | | | | | | | | | | | | | | | | | | | |
| 48 | Relocation | 1 mon | 13 Mar '17 | | | | | | | | | | | | | | | | | | | | |
| 49 | Occupancy | 0 days | 13 Mar '17 | | | | | | | | | | | | | | | | | | | | |
| 50 | End of Lease at John Sopinka Court House | 0 mons | 31 Aug '17 | | | | | | | | | | | | | | | | | | | | |