

For Information Only

Downtown Large Projects Site Selection Information Report

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Resolution

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Relationship to the Strategic Plan / Health Impact Assessment

This report refers to the large projects as identified in the Growth and Economic Development Pillar in Council's Strategic Plan, *Greater Together*. This project also addresses the goals identified under the Quality of Life and Place Pillar in the same document.

Report Summary

Based on the direction and authority provided by Council in November 2017, this report represents additional information regarding the site selection process and rationale, specifically related to the Library Art Gallery.

Financial Implications

There are no financial implications associated with this information report.

Signed By

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Financial Implications

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BACKGROUND

At its meeting on November 22, 2017, City of Greater Sudbury Council deferred the decision related to site selection for the Convention and Performance Centre and Library Art Gallery projects to the meeting of January 9, 2018.

At the same time, Council directed staff to provide additional details regarding the site selection process, specifically related to Ten Elm Office Complex.

Further to the staff report, dated November 15th, 2017, the following provides additional details related to the site evaluation process, specifically as it relates to the Library Art Gallery Project and Ten Elm Office Complex.

Art Gallery of Sudbury

In developing a new art gallery it is important that the planning is considered for a horizon of 50+ years. As described in the business plan developed by Lord Cultural Resources, the cost of investment in a new “Category A” art museum is more expensive than other kinds of construction due to the requirement for redundant systems, standards and specific construction materials. The Art Gallery of Sudbury holds Category A status as a result of its responsibility for a significant collection of culturally important works.

The opportunity associated with selecting a new location for both the art gallery and main library requires an understanding of the limitations of the existing locations and the potential opportunities created by relocating.

Focusing on the older Bell Mansion building, it has faced significant limitations as a site and facility for the Art Gallery of Sudbury since the gallery was located in the building as a centennial project in 1967. A facility analysis prepared in 2010 concluded that it was no longer cost effective to consider retrofitting the Bell Mansion for the following main reasons:

- The gallery space is too small for exhibitions of sufficient impact to generate sufficient public interest.
- Bell Mansion provides insufficient space and conditions for storage of the Gallery’s permanent collection
- AGS has a Category A designation under the Cultural Property Act, it is required to meet specific legal, collection management and environmental requirements to properly care for, preserve and make publically accessible objects or collections that are of “outstanding significance and national importance”. Due to storage and exhibition space challenges, the AGS currently does not meet all the requirements.
- The Category A designation qualifies the Gallery to receive major travelling exhibitions, however, the Gallery does not have the space to exhibit major exhibitions, nor the space for the requisite shipping-receiving and exhibition handling facilities.
- The location of the Bell Mansion is extremely disadvantageous for the Gallery, placing a public facility in a residential area. This limits crossover with retail, restaurants and other cultural institutions. This residential location also limits evening activities and other rental opportunities.
- A new facility is required to accept an offer by the grandchildren of the famed Group of Seven artist, Franklin Carmichael, to donate 30 works of art valued at \$3.5M plus \$100,000 in cash to the AGS, assuming it has a new facility. This commitment is at risk every year that goes without implementation.

Main Library Branch

Because the art gallery and the library are collocating, it is also important to understand the limitations related to the main library branch. The main branch of the Greater Sudbury Public Library on Mackenzie Street was originally constructed in 1952 with an addition in 1976. A building conditions report prepared in 2012 concluded that “some of the components of the building are not in a state of good repair”. Major capital outlay is required to ensure the viability of this facility. Deficiencies cited include:

- The building envelope, including the reinforced columns and roof cladding, windows and exit and service doors
- HVAC systems, including the hydraulic boiler, air handling units, condensers and associated piping and valves, some of which include asbestos insulation
- The capital investment required within a decade was estimated at over \$1M, of which close to \$600,000 was required within one to five years. Most of the recommended changes have not been implemented and so deferred maintenance continues to accumulate

A 2014 report by Yallowega Belanger Architects and observations by library specialist Susan Kent, identified a variety of other deficiencies associated with parking, public programming spaces, workspace and storage. These include:

- Inadequate number of parking spaces during peak periods to serve both visitors and staff
- Building spaces are subject to substantial temperature variations with some too cold and other too warm
- Poor quality public washrooms
- Lack of space for larger events requires them to be held in the lounge and therefore disruptive to the regular activities of the library
- Public meeting rooms are too small and have no natural light
- Inadequate storage space
- Poor quality work spaces
- A children's area that is too small and that does not provide space for program activities
- Poor layout and adjacencies that are confusing to the library user
- Broken up floor spaces and lack of natural flow from area of the library to other
- Lack of quiet spaces, study rooms and mixture of meeting rooms for small and large groups

SITE EVALUATION

As was previously reported, the site evaluation process for the proposed Library Art Gallery was conducted by a team of City staff, Library and Art Gallery Board members and staff and the consultant. The evaluation process included:

- Development of evaluation criteria and a weighting and rating system (approved by Council on September 12, 2017)
- Identification of possible sites, site tours, collection and analysis of data regarding each of the sites,
- All day evaluation workshop.

All of this is described in both the staff report to council and business plan prepared by Lord Cultural Resources previously presented to Council.

Ten Elm Office Complex

The following provides more details related specifically to Ten Elm Office Complex. It should be noted that had Ten Elm Office Complex ranked higher in the evaluation processes, staff would have undertaken additional steps to better understand the opportunities and risks associated with this site. Additionally, we have not provided details related to each category and each factor, but rather those that appear to have attracted the greatest interest and/or questions from by Council and the community.

Ten Elm Office Complex has approximately 207,000 square feet of office space and 137 roof top parking spaces. The site has frontage on three public roads: Elm Street, Notre Dame Avenue and St. Anne Road. The office complex is attached to the Rainbow Centre and the rooftop parking is accessed through Rainbow Centre's

parking garage, which has additional parking. The two properties – Rainbow Centre and Ten Elm – combined, have approximately 900 parking spaces.

The Evaluation Team had the opportunity to visit Rainbow Centre and Ten Elm prior to the evaluation workshop. At this time each member of the evaluation team was provided with a site package called *Downtown Library and Art Gallery Amalgamated Site-Proposal*, and provided with a presentation where Vista Hospitality outlined their site as being “prime candidate” for hosting the project. Throughout the 90 minute presentation and site tour members of the committee were able to ask questions and ask for clarity regarding the site as it related to the specific needs of both the Library and the Art Gallery.

Space Availability

Council provided direction to staff in June to undertake shared site development. With this in mind, the information provided by Vista Hospitality showed approximately 91,439 square feet (main floor-approximately 65,321 sf., second floor-approximately 26,118 sf.) of available space within the Ten Elm Office Complex.

As the combined square footage requirements of both the Library Art Gallery and the Convention and Performance Centre projects is currently approximately 153,000 square feet, the Ten Elm Office Complex could not accommodate a shared site development of these projects in this commercial space. Furthermore, the GSCPC requires a “pit” to allow for the logistics associated with the transformative seating when it is not configured as a performance space and this would be difficult to accommodate at Ten Elm Office Complex.

In addition, the Chief Executive Officer for the Greater Sudbury Housing Corporation (GSHC), has confirmed that they have been negotiating with Vista Hospitality to relocate from their existing space in Ten Elm Complex into the same space being considered for the Library Art Gallery project. While it is understood that any consideration of locating the Library Art Gallery at Ten Elm Office Complex would require an assembly of a number of units, the largest of these units was 29,034 square feet. GSHC has been negotiating to occupy approximately 10,175 square feet of this 29,034, therefore reducing the square footage associated with the location. It is staff's understanding that these negotiations have been taking place for some time and that GSHC has been working with a local architecture firm to develop the necessary layout design, drawings and specifications to complete a budget and business case for leasehold improvements. Furthermore, GSHC has requested additional operating funding from the Service Manager / CGS Housing Services office in their 2018 operating budget for rent in the new space.

Given this information, while there might be sufficient residual vacant space to accommodate the needs of the Library Art Gallery project, there is concern that the space will not provide the public profile envisioned within the site selection criteria. The site evaluation was done following a site visit that considered the spaces that Vista Hospitality described as being available, specifically the largest unit that is adjacent to North East Local Health Integration Network (LHIN) and fronts on Notre Dame Avenue, which allowed for independent access from Notre Dame. Although Vista Hospitality has expressed a willingness to be very cooperative with the project to ensure that the Library Art Gallery had a significant facade presence and has suggested a willingness to re-brand the property, there is concern that the GSHC development will result in the potential space for the Library Art Gallery being made up of additional units that are more interior-facing, reducing the opportunity to fully animate the street presence. Other sites offer more control over space utilization to match programming needs as well as visual attraction from the street.

Parking

As Vista Hospitality has described both in their package *Downtown Library and Art Gallery Amalgamated Site Proposal* and through the local media there are up to 900 parking spaces between the Rainbow Centre and Ten Elm. Although there are a significant number of parking spaces available, the evaluation team expressed concern as it relates to availability during regular office hours and the location of the parking. For example, if a patron had to park at the most westerly of the parking structure and walk to the Library Art Gallery, this would not be consistent with the kind of access to parking that Library patrons would consider to be convenient.

In addition, it was communicated to the evaluation team that to ensure parking is dedicated to the project and located in close proximity to the Library Art Gallery, a monthly per space charge would be imposed, therefore adding to the overall annual costs associated with being located at the Rainbow Centre and Ten Elm complex. Furthermore, there is a need for space to allow for tour and school bus parking and the evaluation team was not confident that this could be accommodated at this site.

Costs

The Ten Elm Office Complex was strongly recommended as a site for consideration by Lord Cultural Resources. After several requests from staff to get an estimate of the costs related to leasing space in this commercial structure Vista Hospitality provided an initial estimate. At the time of the site evaluation meeting this lease option was considered and evaluated based on a present value analysis¹ provided by the CGS Real Estate Division. This calculation was done in an effort to compare “apples to apples”. Furthermore, cost is only one criterion of eleven evaluation criteria approved by Council to evaluate the short listed sites. For this reason, staff was comfortable utilizing this information at this stage in the evaluation process.

Throughout the discussions with Vista Hospitality, there were a number of scenarios presented and they did express a willingness to be flexible. The figures received were provided confidentially and are not bound by contract nor were they independently substantiated. That being said, while leasehold improvements would cost less than new construction, the total estimated cost for the lease option for Ten Elm Office Complex – when you conduct a present value analysis and include the annual costs associated with leasing, common area charges and parking – is 40% higher than the cost for a new build option when considering reversionary value² (that is the value estimated of the property at the end of the 25 year period). As indicated, this estimate was prepared by the City of Greater Sudbury Real Estate Division, based on generally acceptable industry practice.

Ease of Access

RCTE is across the street from the Transit Terminal and was evaluated accordingly; receiving the highest marks for this factor. Furthermore, the site has great pedestrian access when you consider its proximity to schools, housing, businesses and amenities, again the scoring is reflective this. When you consider the site's ability to accommodate truck access and loading, again the site is well serviced with dedicated loading areas. Having said that, while the evaluation team felt it met the requirements for green space based on its proximity to the Trans Canada Trail there is limited green space near the site, nor does the site have the ability to provide for green space, an element identified in the site selection criteria because of its importance for both Library and Art Gallery programming. Also, with group tours and school tours the site

¹ Present value analysis applied a discount rate of 4% and an annual increase in expenses of 2% applied over a 25 year lease period. The cost analysis excludes utilities.

² Reversionary value is the estimated value of a property at the expiration of the investment horizon.

does not allow for a generous drop off zone in close proximity to the space that was being considered for the Library Art Gallery.

Other Considerations

The museum and library location in Saint John New Brunswick's Market Square downtown mall has been raised as an example of this type of approach that Greater Sudbury could consider. Staff researched the current situation in Saint John and outlined below:

Saint John Public Library

During a telephone conversation with the Director for the Saint John Public Library, they indicated that when they decided to locate into Market Square (the downtown mall), it was part of a multi-million dollar project that was supported by all three levels of government in order to revitalize the downtown. While it helped with revitalization at the time, thirty-five years ago, the location lacks a visual presence. Experience indicates that visitors have a hard time finding the library as "there isn't something that they can point to".

The Director indicated that, from their perspective, there is not the same sense of community with their location in the mall that can be found in a standalone library. Furthermore, because they are a tenant of the mall they must comply with the rules and regulations associated with being in a mall and contribute to large common areas. While they only pay a nominal fee for rent, because they are not a revenue producer for the mall management, they are often considered a low priority; building maintenance issues are often delayed which results in impacts to Library operations.

New Brunswick Museum

As outlined on this institution's website,

"the NBM Exhibition Centre is in space leased by the Province from the private sector. The Exhibition Centre opened in April, 1996 with a long term lease (20 years). The current exhibition space no longer meets today's requirement for the NBM and the public. The building envelope and equipment infrastructure is aging. Upgrades are required to protect NBM's collections, provide engaging exhibitions and programmes, meet modern museum standards and travelling exhibition requirements, and meet public safety standards.

On October 30, 2017, New Brunswick Premier Brian Gallant announced that the province will build a new standalone museum facility in Saint John.

References

1. Greater Sudbury Convention and Performance Centre / Library Art Gallery Update – CGS Council Meeting November 22, 2017
<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&attachment=20866.pdf>
2. Event Centre Report – CGS Council Meeting June 27, 2017 -
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1130&itemid=13404>
3. Synergy Centre and Library/Art Gallery Reports – CGS Council Special Meeting of June 28, 2017 -
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1210>
4. Event Centre Site Evaluation Matrix Report – CGS Council Meeting April 11, 2017 -
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1125&itemid=13033>

5. Event Centre Development Report – CGS Council Meeting August 22, 2017 -
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1132&itemid=13757>