

Presented To:	City Council
Presented:	Tuesday, Sep 12, 2017
Report Date	Tuesday, Aug 29, 2017
Type:	Managers' Reports

Request for Decision

Update on Library/Art Gallery and Synergy Conference Centre Projects

Resolution

Resolution 1:

THAT the City of Greater Sudbury approves the site selection criteria for the purposes of evaluation and recommendation of a preferred site(s) for the Library-Art Gallery and Synergy Centre projects as outlined in the report dated August 28th, 2017 from the Chief Administrative Officer titled “Library-Art Gallery and Synergy Centre Development”

Resolution 2:

THAT the Director of Economic Development be authorized to enter into the following agreement: a) On a single-source basis with CBRE Limited for the development of a business plan, operational model, conceptual design and financial plan for the Synergy Centre Project at a cost not to exceed \$150,000 plus applicable taxes.

Resolution 3:

THAT the Director of Economic Development be delegated authority to negotiate, execute and subsequently amend or extend any agreements, including, without limitation, agreements for cost sharing, professional and consulting service and for non-competitive purchases with a total acquisition cost of \$50,000 or more, including instruments, assurances and any other documents as may be necessary to complete the Synergy Centre and Library-Art Gallery Projects subject to Council’s approval of and in accordance with: a Business Plan; an Operational Model; a Conceptual Design; and a Financial Plan;

AND THAT a by-law be prepared to formalize the decisions and authorities delegated to staff herein.

Signed By

Report Prepared By

Eleethea Savage
Business Development Officer
Digitally Signed Aug 29, 17

Recommended by the Department

Ian Wood
Director of Economic Development
Digitally Signed Aug 29, 17

Financial Implications

Apryl Lukezic
Co-ordinator of Budgets
Digitally Signed Aug 29, 17

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed Aug 29, 17

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*. These projects will address the goals identified under the Quality of Life and Place Pillar in the same document.

Report Summary

This reports recommends that Council approve the next step and provide the administrative authority to achieve the deliverables identified by Council, namely the development of a business plan, operational model, conceptual design, financial plan and site selection criteria in collaboration with key community stakeholders to advance the both the Library-Art Gallery and Synergy Centre projects

Financial Implications

If approved as presented, the recommendations authorize the expenditure of up to \$150,000 plus applicable taxes and delegated authority to the Director of Economic Development for decisions that advance the project according to limits established by Council, including a financing plan. Expenditures incurred in 2017 will be funded from the Tax Rate Stabilization Reserve, based on Council resolution CC2017-188 from the report presented on June 28, 2017. Staff will present business cases for Council consideration as part of the 2018 Budget for the Library/Art Gallery and Synergy Conference Centre projects. If the business cases are approved, then the capital project budget would replenish the Tax Rate Stabilization Reserve.

In addition, the capital project budget will also fund the backfilled labour costs. If not approved, any backfilled labour costs will form part of the year end surplus/deficit.

Background

City Council has received a number of reports regarding both the Library-Art Gallery and the Synergy Centre projects. The most recent, considered at its June 28th, 2017 meeting [see reference 2], resulted in Council's approval of the project concepts as well as direction to staff to work with the respective project groups to undertake a coordinated site evaluation and selection process.

Council also provided direction to secure the services of a consultant for each project to finalize a detailed business plan, operational model, conceptual design, and financial plan. Finally, Council provided verbal direction to staff to examine ways to accelerate the proposed time line to achieve the deliverables outlined in the report.

Update

As a result of Council's direction at the meeting of June 28th, the Large Projects Steering Committee (LPSC) assessed the work to be completed to expedite timelines and allocate sufficient resources to accelerate the advancement of both the Greater Sudbury Synergy Centre and the Library/Art Gallery projects, and to ensure alignment and consideration is provided to both.

Staff Resources

For this project to successfully achieve Council's desired outcome and appropriately manage risk, dedicated resources have been assigned to execute the work, manage the project schedule and work with key stakeholders. Eleethea Savage has been assigned as full-time Project Manager for both of these projects, reporting to the Director of Economic Development, who will serve as Project Sponsor and Executive Lead. Eleethea's regular duties and her role in coordinating the work of the Regional Business Centre will be backfilled. The project budget, when approved, will fund her temporary role. If Council does not approve the business case during the 2018 budget deliberations, then any backfilled costs incurred in 2017 will form part of the year end surplus/deficit.

Timelines and Deliverables

Staff is working with the respective project groups and consultant to firm up timelines and deliverables following the LPSC direction. A critical path is being developed with the intent to report back to Council at its meeting of November 21, 2017.

As outlined in the report to Council in June, Lord Cultural Resources has been contracted to support the development of the Library-Art Gallery Project and will continue in that role. Staff had proposed to proceed with an RFP to secure consultant support for the Synergy project. With the accelerated time line, staff are seeking Council's approval to single-source this work as justified below.

Site Evaluation and Recommendation Process

As identified in the Event Centre report to Council this past April regarding site selection criteria, it is important that City Council and the community understand the site evaluation criteria. Council's approval signals this understanding. The evaluation criteria and process for applying them should reflect our community's values, recognition of what is in the best financial interest of the City and acknowledge the community significance of the projects for Greater Sudbury.

Staff conducted research on site selection considerations in consultation with both Lord Cultural Resources and CBRE Limited to achieve a coordinated site evaluation approach. This included reviewing the criteria and process used earlier this year to identify potential Event Centre sites. The consultants and both working groups collaborated to identify the following selection criteria for Council's consideration.

Similar to the Event Centre process, these have been ranked according to importance so the criteria will have the appropriate emphasis during the evaluation process. A description of each of the criteria, their relative priority, and their weight in the evaluation, are outlined below for Council's consideration.

CRITERIA PRIORITY	SYNERGY CENTRE	Weight	LIBRARY-ART GALLERY	Weight
Of Highest Importance	New Hotel Development/Access to Accommodations	13.5	Collaboration Opportunities	12%
	Visibility	13.5	Ease of Access	12%
			Parking	12%
Extremely Important	Collaboration Opportunities	10%	Cost	10%
	Cost	10%	Environmental Site Factors	10%
	Ease of Access	10%	Visibility	10%
Highly Important	Downtown Revitalization	7%	Downtown Revitalization	7%
	Economic Impact	7%	Ease of Development	7%
	General Considerations	7%	General Considerations	7%
	Parking	7%	Site Size and Configuration	7%
Important	Ease of Development	5%	Economic Impact	6%
	Environmental Site Factors	5%		
	Site Size and Configuration	5%		
	Total	100%	Total	100%

Definitions

Ease of Access	Good pedestrian access-walk-ability and proximity to complementary use, ease of vehicular access, public transit capacity, identify site's connectivity to green spaces (i.e. Elgin Green Way), ease for emergency services
Collaboration Opportunities	Ability to cluster with other projects, potential to create a "Cultural District" by adding to private and/or public venues, enhances or incorporates existing facilities
Cost	What are the comparative costs associated with this site taking into account land acquisition costs, site preparation, utility servicing and ongoing subsidy requirements? New build versus renovation.
Downtown Revitalization	Consider fit with existing plans, including Downtown Master Plan, impact on streetscapes, will the site and its envisioned development foster community pride?
Ease of Development	Site's readiness, existing infrastructure capacity (water, sewer, power), need for remediation, historic features, any significant geotechnical or topographical issues, any other significant issues which may prolong the due-diligence or approval process
Economic Impact	Potential for economic impacts derived through spending on accommodations, food and beverage, transportation, entertainment, supplies and services, proximity to restaurants, other cultural uses, attractions, retail, etc

Environmental Site Factors	Site's impact from train, transit, heavy vehicle traffic-soil borne and air borne noise and vibration sources, impact from seismic and flood activity, sun direction
General Considerations	Considerations related to the potential for transformative impact on the City as whole, level of community support, visitor experience, site is within the Downtown core as defined by the Downtown Master Plan
New Hotel Development/Access to Accommodations	Site's ability to also accommodate a co-located hotel development, proximity to critical mass of hotels
* Parking	Ability to accommodate parking on site or within close proximity for patrons, tour buses, staff, etc.
Site Size and Configuration	Ability to meet the anticipated physical dimensions of proposed facility, to accommodate onsite green space and landscaping including outdoor features, opportunity for expansion
Visibility	Site's ability to provide a visible location for the facility that enhances the profile within the City, the potential for view corridors to/from the site (not blocked by existing buildings), fostering a safe environment.

**Note: Availability of parking is a key consideration in the operation of public libraries and therefore in the design of new library facilities. Public libraries provide equitable access to services and resources. Just as the cost of accessing services and resources has been identified as a barrier to access—and thus, public libraries are mandated to provide specific services at no cost to the user under the Public Libraries Act—the availability of parking at library facilities presents additional barriers to access. Key concerns with regard to parking include: Reduction of physical barriers, such as the inclusion of designated accessible spaces within close proximity to entrances/exits, ease of access for parents of young children, and safety for vulnerable groups including seniors and children. Vaughan, Burlington and Surrey Public Libraries have all recently undertaken new builds or major renovations and have continued to offer in excess of 100 parking spaces at no cost to the patron. Furthermore, the Art Gallery of Sudbury also has unique parking requirements that if not made available would significant impact their programming and services. With these factors in mind, Parking has been categorized as “Of Highest Importance” in the site selection process for the Library-Art Gallery to reflect these realities.*

Consultant Services required to develop Business Plan, Operational Model, Conceptual Design and Financial Plan – Single-Source Procurement

During the June 28th meeting, Council indicated its expectation that staff would accelerate the timeline for reporting the results of next steps. In order to assist with this work, Council also authorized an allocation of funds to secure the services of a consultant for each project. Staff is recommending a single-source award to support Council's desired results and take advantage of the knowledge acquired by third parties in previous phases of this project.

The Purchasing By-law permits the award of single- or sole-source purchases under specified conditions. A single-source award is possible when one or more of the following conditions applies:

- the standardization or compatibility of a Purchase with existing equipment, product standards, facilities or service is a paramount consideration;
- a Good is purchased for testing or trial use;

- there is an absence of competition for technical reasons and the Goods, Services and/or Construction Services can only be supplied by a particular Supplier;
- the City has a rental contract with a purchase option and such purchase option is beneficial to the City;
- no bids were received in response to a Bid Solicitation or Quotation Procedure.; or,
- a business case can be made to establish that the purchase is in the best interests of the City.

In the case of the Library-Art Gallery project, there is a consultant in an open contract to complete the required work, and we are able to move forward without delay.

For the Synergy Centre, staff recommend a single-source award to CBRE Ltd. because it can leverage the experience it gained on the previous phase of this project to expedite the development of a detailed business plan and support the site selection process. The price it is quoting for the work represents good value for the City. It is the only firm that can effectively meet the timelines Council indicated. The Synergy Project Committee supports this approach.

Staff anticipated issuing an RFP for the next phase of work this fall. While the RFP is currently being developed and can be issued, it is unlikely that a contract could be awarded until later in the fourth quarter. This does not align with Council's expectation for a report in November.

In 2015, CBRE acquired PKF Consulting's Canadian practice, which brought expertise and depth in advisory services and industry monitoring to the accommodation and tourism sectors. CBRE Tourism & Leisure Group, in conjunction with CBRE Hotels, represents the largest practice offering professional services to the Canadian hospitality and tourism industries. The CBRE Tourism & Leisure Group has over 30 years of experience working with Canada's tourism and leisure sector. In addition to serving clients who represent private investment interests, CBRE's Tourism & Leisure Group is frequently engaged in a consulting capacity by municipalities, government agencies, non-profit organizations and indigenous groups. They provide practical advice and implementable plans to move forward with a range of projects for clients in the hospitality and tourism sectors across the country.

If approved by Council, CBRE Limited is available to be retained through a new engagement letter as of September 13th. With this consideration in mind, work could commence immediately with a reasonable expectation that it be completed in time to meet the target time line.

Project Governance, Resourcing and Coordination

Steering Committee

The Large Project Steering Committee established in 2016 to guide the analysis of the four large projects selected by City Council will remain in place for the duration of the work required to bring each project to a conclusion. Chaired by the Chief Administrative Office, its role is to direct the progress of the projects and provide sufficient, appropriate information to support Council's decision about all four large projects. Ian Wood, Director of Economic Development, is a member of the Steering Committee and will serve as the Project Sponsor and Executive Lead for both the Library-Art Gallery and the Synergy Centre Project.

Delegation of Authority

Staff recommends Council delegate authority to the Project Sponsor, the Director of Economic Development, to approve documentation, negotiate terms and execute agreements that support the project's successful on-time completion. Such authority would be applied according to the terms established by Council.

This delegation of authority would match the authority Council provided to the General Manager of Community Development for the Arena/Event Centre project. As previously outlined in a report to Council dated August 9th, 2017, this means, that where the City may need to establish contract terms to give full effect to a Project Agreement, the Project Sponsor would be empowered to do so.

Council would retain authority over the approval of a business plan, operational model, a concept design and financial plan. Meanwhile, delegating authority to the Project Sponsor for all other decisions establishes a single point of accountability and enables effective, timely coordination with consultants and stakeholders. Regular reporting to Council will continue throughout the project.

Next Steps

Staff anticipates the following next steps:

1. Proceed with site evaluation and recommended site(s), and
2. Undertake the development of a business plan, operational model, conceptual design and financial plan for both the Library-Art Gallery and Synergy Centre with the secured services of a consultant.

References

1. 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>
2. 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>
3. 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>
4. 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>