

## Farmers' Market Update Report - Funding and Project Timing

### ISSUE

The purpose of this report is to provide an update on the redevelopment of the Farmers' Market project, including details of the project budget, a secured federal funding grant and the proposed opening date for the indoor public market. This report also provides options to consider expanding the scope of the project work, with residual City funding now available, as a result of the recently approved federal funding grant.

### RECOMMENDATIONS

That the Standing Policy Committee on Planning, Development and Community Services recommend to City Council:

1. That Reserve for Capital Expenditures funding in the amount of \$750,000 allocated to Capital P.10021-Farmers' Market Building Renewal be returned and replaced with the new Canada Community Revitalization Fund grant of \$750,000.
2. That a budget increase to Capital Project P.10021 – Farmers' Market Building Renewal, in the amount of \$750,000, to include an expanded scope of work as outlined in this report, be approved; and
3. That the budget increase to include an expanded scope of work, on the Farmer's Market Building, be funded from the Reserve for Capital Expenditures.

### BACKGROUND

City Council, at its Regular Business Meeting on September 30, 2019, received a [report](#) about the Farmers' Market Building at River Landing, and directed the Administration to:

“prioritize animation at minimum the outdoor space for the 2020 season including a farmers' market in the event the indoor space is not available and/or that a tenant is not secured.”

A second Request for Proposal (RFP) was issued on November 8, 2019, for Lease of the Farmers' Market Building at River Landing. In February 2020, Administration began negotiations with the preferred proponent, Ideas Inc.

Governance and Priorities Committee, at its meeting on July 19, 2021, received a [report](#) from Administration requesting approval to submit grant applications to the “Canada Community Revitalization Fund” on behalf of various civic projects, including the Farmers' Market Building Renewal Project.

City Council, at its Regular Business Meeting on August 30, 2021, received a [report](#) that provided an update on the Farmers' Market construction project and requested post-budget approval for \$150,000 to hire a design consultant to prepare a detailed design of

the interior market space, as well as to provide construction administration and project management services.

Through a public RFP process, Henry Downing Architects were selected as the design consultant for the project, and the start-up meeting occurred on November 8, 2021.

Capital Project P.10021 Farmers' Market Building Renewal, in the amount of \$1.5 million, was approved by City Council during the 2022/2023 Preliminary Business Plan and Budget deliberations. The project was funded by a \$1.1 million contribution from the Reserve for Capital Expenditures (RCE) and \$400,000 from the Civic Building Comprehensive Maintenance Reserve. During Budget deliberations, Administration advised that any grant funding secured would be reported on and ultimately reduce the amount of RCE funding required for the original scope of the project work.

### **DISCUSSION/ANALYSIS**

Work continues in finalizing the detailed design plans for interior renovations of the Farmers' Market Building. Below is an update on the ongoing efforts:

#### Detailed Interior Design and Preparation of Tender Documents for Construction

Design consultants from Henry Downing Architects and subconsultants from Stantec Engineering are working with Ideas Inc. and Administration to build out the vision provided in Ideas Inc.'s RFP submission. The design consultants have provided an initial design plan, preliminary renderings of the interior and have been working to identify and finalize other design details such as how to secure the vendor spaces when the public market is closed. Efforts are being made to identify and use local products to help minimize supply chain issues.

The design consultants have also been working to identify and address building code requirements for the new expanded use, including the need for new washroom facilities. The new public market will require 11 washroom stalls, resulting in the washroom facilities needing to be relocated within the building. The new washroom facilities will also meet the standards for gender-inclusive requirements for civic buildings.

Prior to finalizing the design plan and issuing a construction tender, the design consultants have identified that for the HVAC system to function at a more optimal level, commensurate with the planned occupancy and activities, it should be upgraded. The existing HVAC system, while it could service the basic needs of the building in operation, will not provide enough make-up air or cooling for the building's needs, given the newly anticipated number of refrigerators and cooking facilities which will add significantly more warm air into the building than the previous use. Without an upgrade, during the summer months, the building will be warmer than optimal for patrons and vendors working in the space. There is also consideration related to the noise level of the existing fans which may cause the facility to be louder than would be optimal. The design team has also identified that vestibules are an option to help reduce the amount of heat loss in winter and would provide an opportunity to create a more aesthetic main entrance to the facility and provide a more impactful first impression of the facility.

### Budget Implications

Administration and the design consultants were tasked with creating a construction plan for the building within the current \$1.5 million budget. The design consultants have prepared an initial design based on the existing budget, which is referred to as the base building improvements. These improvements include relocation of the washroom facilities to meet building code, creation of vendor shell spaces, general plumbing, mechanical and electrical work.

The \$1.5 million budget for interior improvements was identified in early 2021. Since then, the cost of construction materials, particularly such things as mechanical parts and stainless-steel products, has dramatically increased. This cost increase is impacting the ability to include all requested building improvements, to help animate the facility to the greatest extent possible, within the existing budget. Furthermore, the detailed design work has revealed the HVAC system initially scoped, would provide base level ventilation, but would not be sufficient to provide the ideal level of comfort and design expectations of this building, when fully animated.

As part of the detailed design work, consultants have identified work that can most likely be completed within the current budget and have also developed a list of options which are currently outside of the base building improvements. These options could further enhance the comfort and aesthetic of the building, however additional funding would be required to add them to the project. Appendix 1 identifies the work that can be achieved within the existing budget and provides a list of optional items which could be considered.

### Federal Funding Applications

In 2021, Administration applied for two federal grant programs in attempt to secure funding for the interior renovations of the Farmers' Market Building. Administration was successful in securing \$750,000, the maximum amount available, from the Canada Community Revitalization Fund (CCRF). A joint press release was recently issued by the CCRF and Administration announcing the funding grant. Administration was unsuccessful in securing additional federal grant funding through the Green and Inclusive Buildings Fund.

### Options for Project Budget

The \$750,000 CCRF funding will be dedicated to the project, to address work within the original base building improvements. There are also options to consider with respect to a portion of the existing RCE funding that was approved, for the Farmer's Market Project, during the 2022/2023 Business Plan and Budget review. The Administration requests that the previously dedicated RCE funding be retained within the project and dedicated to the interior renovation project so the scope of the project can be expanded as outlined within Appendix 1. Without additional funding, the building may not meet full expectations in terms of climate control and aesthetics. For this reason, Administration is recommending additional funding be approved. Some of the options for consideration related to the current project budget and scope are outlined below.

**OPTION 1: Use the Existing Approved Project Scope and Budget of \$1.5M**

Under this option, the \$750,000 in CCRF grant funding would be accounted for as a funding source within the Project budget, and City Council could reduce the full \$750,000 in RCE funding previously approved for the project. This would return \$750,000 to RCE for future allocation and means the renovation project would proceed with the existing \$1.5 million budget, to complete the Base Building Improvements identified in Appendix 1. This option would require the project be adjusted and the existing HVAC system would remain in place. This option would mean there is no funding for any of the optional items listed within Appendix 1, some of which would need to be resolved at a future date.

**OPTION 2: Expand the Scope of the Project work, and Retain \$750,000 of previously approved RCE Funds**

Under this option, the Administration is requesting that the RCE funding, previously dedicated to the budget, be retained within the project budget. The RCE funding, along with the \$750,000 in grant funding would provide for the HVAC system upgrades and main vestibule entrance that would improve the comfort, functionality and aesthetics of the building. This option would require Council to approve the expanded scope of the work and the increased budget, and would result in the facility meeting full expectations. This option is recommended by Administration.

**OPTION 3: Select some but not all of the Optional items and retain an amount of RCE Funding based on the final scope of work and budget**

Under this option, with the new CCRF grant funds for the project, City Council also could select one or several of the items under the optional building upgrades (HVAC, vestibule, new garage doors, or upgraded fixtures), and then retain a portion up to \$750,000 in RCE funding approved for the project. Under this option, Administration would request further direction on a budget adjustment amount, along with an understanding on what items are priority for the renovation.

**FINANCIAL IMPLICATIONS**

The financial implications are described above within the report.

**OTHER IMPLICATIONS**

The initial design plan has undergone a CPTED review. There are no additional implications.

**NEXT STEPS**

Detailed design work is awaiting direction on the level of funding available for the renovation project and decisions related to the mechanical systems. Administration and the consultant team will proceed based on the direction of City Council and anticipate construction beginning in early Fall 2022. As a result, the opening date of the new indoor Public Market is anticipated for late spring 2023.

**APPENDICES**

1. Construction Details and Recommended Scope Expansion

**REPORT APPROVAL**

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