

Farmers' Market Building Update

ISSUE

The purpose of this report is to provide an update on the Farmers' Market Building improvements. Funding to support the building upgrades has previously been approved for the project. In obtaining the detailed cost estimates for the final design, it was determined the entire scope of work could exceed the approved budget. To have the project completed within approved budget, modifications to the project scope were therefore required. This has delayed the construction tendering and will impact the planned opening date of the Gather Local Market which will be operated by Ideas Inc.

BACKGROUND

City Council, at its Regular Business [meeting](#) on June 27, 2022, received a report from Administration on the Farmers' Market Building with an update on the need for additional funding and anticipated project timing and resolved in part:

- “1. 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 the June 13, 2022 report of the General Manager, Community Services, be approved; and
2. That the budget increase to include an expanded scope of work, on the Farmers' Market Building, be funded from the Reserve for Capital Expenditures.”

City Council at its Public Hearing [meeting](#) on August 29, 2022 received a report from Administration on the Lease to Manage the Farmers' Market Building and resolved:

- “1. That the City enter into a lease agreement with Ideas Inc. to operate the public market within the Farmers' Market Building, located at 414 Avenue B South in River Landing, based on the terms outlined in the August 15, 2022 report of the General Manager, Community Services;
2. That a five-year tax exemption, estimated at \$53,162, based on the increasing scale outlined in Appendix 2, be approved;
3. That the City Solicitor be requested to prepare the appropriate agreements and that His Worship the Mayor and the City Clerk be authorized to execute the agreements under the Corporate Seal; and
4. The post budget request for a 2022 capital project at a cost of \$150,000, be approved for the purchase of furnishings for the common areas, funded 50% from the Reserve for Capital Expenditures and 50% by Ideas Inc. as a private contribution.”

CURRENT STATUS

Since the approval of the two reports noted above, Administration has been working diligently with the design consultant and Ideas Inc., as the tenant, to finalize details of the facility improvements and plans for operations. At the conclusion of the work for the final design specifications, a formal Opinion of Probable Costs for the renovation work was obtained from a

qualified firm. Based on the final plan prepared by the design consultant, the Class A cost estimate indicated the construction value could exceed the available approved budget. To stay within the approved budget amount, Administration, along with the design consultant and Ideas Inc., have considered options to descope the final design plan, if needed.

Construction Tenders

Understanding additional work would be needed to adjust the overall scope of the project, Administration split the renovation work and material purchase into two separate Request for Quotation (RFQ) processes. One RFQ was prepared for the Heating, Ventilation, Air Conditioning (HVAC) and Mechanical equipment and a second RFQ was prepared for the interior construction. This was done recognizing there are long lead times required for procuring HVAC materials and that regardless of any interior construction scope adjustments, this equipment would be required. The first RFQ was released in late 2022 and awarded in early 2023.

The second RFQ for the interior construction was delayed until the final options for descopeing work could be done and an updated RFQ could be developed that would outline the required base building renovations, as well as request separate pricing quotes for items that would only be completed if they can be done within the available budget. This RFQ was just recently released and is expected to close in the middle of April.

While there has been a delay, Administration remains committed to ensuring we have the best base building possible for public market use and are focused on opening the building to the public this fall.

Outdoor Market

As the building opening will be delayed from late May to approximately late September or early October, Administration has been working with Ideas Inc. to ensure the outdoor market occurs Saturdays on Market Square. Ideas Inc. is committed to operating their outdoor market on Saturdays from June 17th to September 30th for the 2023 growing season.

DISCUSSION/ANALYSIS

For the review process, the design consultant provided a number of possible descopeing options. Administration worked with Ideas Inc. to finalize the scope of planned work.

Administration's intent for the Farmers' Market Building Renewal Project is to provide the best base building possible while achieving the overall shared vision of the space. The descopeing exercise allowed for a review of options and impact each would have on the overall quality of the space and what typically is described as base building and tenant fit up. Some of the descopeed options were noted/determined to be less than desirable but all were considered to help identify options for moving the project forward within approved budget.

The RFQ for the interior construction tender has requested alternate pricing for some items such as countertops (stainless vs. solid surface) and separate pricing for the floor finishing, as well as the construction of some of the vendor spaces. Requesting alternate pricing will allow

for the ability to choose what options fit within the budget. Separate pricing will also provide the ability to "scope-up" the project if construction bids come in under budget.

FINANCIAL IMPLICATIONS

There are no current financial implications as the project scope for the Farmers' Market Building improvements has been adjusted to ensure the tender be issued and awarded within the existing approved budget.

Administration will also continue to explore other potential grants or sources of funding to complete the elements of interior renovations that had to be descoped from the original project design.

OTHER IMPLICATIONS

There are no other privacy, legal, social or environmental implications identified.

NEXT STEPS

The next steps will be to close and award the contract for the interior construction and continue to work with Ideas Inc. towards a successful opening of Gather Local Market within the newly upgraded Farmers' Market Building, later this fall.

REPORT APPROVAL

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