



## STAFF REPORT ACTION REQUIRED

### Redevelopment of St. Lawrence Market North – Status Update

<b>Date:</b>	May 28, 2014
<b>To:</b>	Government Management Committee
<b>From:</b>	Chief Corporate Officer
<b>Wards:</b>	Ward 28 – Toronto-Centre Rosedale
<b>Reference Number:</b>	P:\2013\Internal Services\RE\Gm14005FAC (AFS #19225)

#### SUMMARY

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The purpose of this report is to provide an update on the St. Lawrence Market North Redevelopment Project including the current status of the project cost, and schedule, and to advise on next steps.

#### RECOMMENDATIONS

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**The Chief Corporate Officer recommends that:**

1. The Government Management Committee receives this report for information.

#### **Financial Impact**

Funding for the St. Lawrence Market North Redevelopment Project is available in the 2014 Capital Budget and the 2015 – 2023 Capital Plan for Facilities Management and Real Estate (FM&RE). Total project cost is \$91.458 million and the funding sources are outlined in the Table 1 below.

<b>Table 1 - St. Lawrence Market North Redevelopment Funding Sources (\$ millions)</b>	
Recoverable Debt	39.7
Contribution from Toronto Parking Authority for Underground Garage	14.0
Toronto Parking Authority - Yorkville Garage Joint Venture	15.0
Court Services Stabilization Reserve	4.4
Development Charges	5.0
Section 37/42/45	3.0
Debt Funding	10.4
<b>Total:</b>	<b>91.5</b>

The total project cost of \$91.458 million was approved by City Council in July 2013. Current cash flows approved as part of the 2014 Capital Budget and 2015 to 2023 Capital Plan and updated forecasts are shown below in Table 2.

<b>Table 2 - Updated St. Lawrence North Redevelopment Project Cash Flow Plan (\$ millions)</b>						
	<b>Life to Date Spent (As of Dec 31, 2013)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
Current Estimates	2.573	3.500	34.609	46.831	3.945	<b>91.458</b>
Approved Plan	2.573	12.672	30.632	28.207	17.374	<b>91.458</b>
<b>Variance</b>	<b>0</b>	<b>(9.172)</b>	<b>3.977</b>	<b>18.624</b>	<b>(13.429)</b>	<b>0</b>

As the project continues to experience design issues with clients, stakeholders and consultants, the tendering process is expected not to commence until late 2014. Some of the design issues were related to the implementation of the temporary market, along with the many design changes required to the Design Development Submission for the permanent building, including the re-introduction of a geothermal heating/cooling system, and a 100% green roof.

Year to date spending (as of April 30, 2014) is \$0.177 million and it is estimated that only \$3.5 million or 27.6% of the 2014 approved cash flow of \$12.672 million will be spent by year-end. Any unspent cash flow will be carried forward into 2015 for FM&RE staff to continue the delivery of the project.

The annual cash flows estimates outlined in Table 2 are updated figures and do not align with cash flow estimates approved by Council through the 2014 budget process. The updated cash flows will be submitted through the 2015 budget process to ensure they align with the latest forecasts.

The Deputy City Manager and the Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## DECISION HISTORY

The current St. Lawrence Market North initiative has been ongoing since 2002 to maximize the site's full potential and improve the St. Lawrence Market complex. At its meeting on July 30, 31 and August 1, 2002, City Council approved, in principal, the concept of redeveloping the St. Lawrence Market North Building and directed City staff to study redevelopment options. The 2002 Council report, which includes a detailed history of the St. Lawrence Market complex, can be found through the following hyperlink:

<http://www.toronto.ca/legdocs/2002/agendas/council/cc020730/adm10rpt/cl014.pdf>

At its meeting on June 24, 25 and 26, 2003 City Council established the St. Lawrence Market North Working Committee to determine planning and design guidelines for the redevelopment, as well as consultations with various stakeholders. The report can be found through the following hyperlink:

<http://www.toronto.ca/legdocs/2003/agendas/council/cc030624/adm5rpt/cl024.pdf>

At its meeting on October 26, 27 and 28, 2004, City Council adopted development parameters for St. Lawrence Market North and endorsed a strategic vision statement for the St. Lawrence Market complex. The report can be found through the following hyperlink:

<http://www.toronto.ca/legdocs/2004/agendas/council/cc041026/adm8rpt/cl007.pdf>

At its meeting on June 27, 28, 29 2006, City Council directed City staff to investigate a number of technical matters with the redevelopment, including parking access/accommodations and Court Services as a primary tenant. The report can be found through the following hyperlink:

<http://www.toronto.ca/legdocs/2006/agendas/committees/adm/adm060606/it020.pdf>

At its meeting on September 25, 26, 27 2006, City Council directed City staff to provide a business plan for the redevelopment of the North Market building. The report can be found through the following hyperlink:

<http://www.toronto.ca/legdocs/2006/agendas/council/cc060925/adm6rpt/cl022.pdf>

At its meeting on December 10, 2008, City Council endorsed the strategy to redevelop the St. Lawrence Market North property with a multi-story building, including a ground floor Market Hall, Court Services' court rooms and administrative offices, and a 250-space below grade parking garage. The decision also authorized a design competition to select an architect for the redevelopment. The report can be found through the following hyperlink:

<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-17440.pdf>

At its meeting on July 6, 7, 8, 2010, City Council endorsed the winning design from the St. Lawrence Market North Design Competition and authorized City staff to enter into an agreement with the successful proponent for the provision of architectural services for the new St. Lawrence Market North Building. The report can be found through the following hyperlink:

<http://www.toronto.ca/legdocs/mmis/2010/ex/bgrd/backgroundfile-31365.pdf>

At its meeting on July 16, 17, 18 and 19, 2013, City Council adopted a revised financing plan, including additional funding of \$15.293 million, and directed staff to proceed with the Design Development and Bid Document stages for the new St. Lawrence Market North Building.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.GM23.6>

## ISSUE BACKGROUND

The current North Market Design includes:

New St. Lawrence Market Facility	
Below Grade	250 parking spaces (operated by TPA)
Floor 1 - Market Hall	Farmers Market, Commercial Events, Retail Café
Floor 2 - Mezzanine	Restaurant, Kitchen Incubators, Court Services Administrative Offices
Floor 3	Court Services Head Office, Operations and Administrative Offices and Police Services
Floor 4	JP offices, City and Provincial Prosecutions Offices, and 5 courtrooms
Floor 5	9 Courtrooms
All	5 Storey Atrium

The total project cost based on the Architect's latest design submission is \$91.458 million, as approved by City Council as its meeting in July 2013. At this meeting, City Council directed staff to authorize the continuation of the design work by the Architect in order to complete the Design Development and Bid Document Stages for the Project.

## COMMENTS

### Current Status

City staff has completed the Design Development Stage with the Architect and the project is currently in the Bid Documents Stage. City cost checks milestones during this stage include a final pre-tender cost estimate. This is the Architect's best estimate of construction costs based on 100% complete design. If the estimate is within budget, City staff from Facilities Management, in consultation with PMMD, will issue a construction Tender Call. If the estimate exceeds budget, staff will report back to City Council.

### Project Schedule

The expected completion date for the St. Lawrence Market North Redevelopment Project remains 2016. Schedule milestones as they stand now are as follows;

#### **SLMN Building**

Design Completion, including cost checks, Q3 2014  
Construction Tender Call, Q3 2014  
Construction Contract Award, Q4 2014  
Construction Completion, Q4 2016

#### **Temporary Market**

Design Completion, Q2, 2014  
Construction Tender Call, Q3 2014  
Construction Contract Award, Q3 2014 (to align with SLMN design cost checks)  
Construction Completion and client move-in, Q4 2014 (to align with SLMN contract award)

### Schedule Risks;

The following items have the potential to impact project timelines and cash flow forecasts going forward.

- Design cost checks / value engineering.  
City cost checks are required during the current Bid Documents Stage, at 50%, 90% and 100% document completion. Should construction cost estimates come in over budget, more value engineering will be required. The City will not award a construction contract for the temporary market building, nor demolish the existing building, without assurance that the price of the new building is within budget.
- Timely Stakeholder sign off on design.  
The St. Lawrence Market Precinct is a major City asset and a public focal point for residents, locals and tourists of Toronto. The St. Lawrence Market Precinct Advisory Committee was established to be an advocate for the Market Precinct and provide advice to the Director of Real Estate Services through the Market Precinct Manager on the mandate, strategic direction, growth, planning, budgeting, and operations of the Market Precinct. Input has been received from the Advisory Committee by City staff on potential changes to the North Market layouts which are currently being reviewed and discussed.
- Site archeological remediation.  
The Market Complex has served as a City landmark for over 200 years and remains as one of the most valuable historical sites in Toronto. The site archaeological remediation process involves 4 stages, namely Stage 1: Background Study, Stage 2: Property Assessment, Stage 3: Site Specific Assessment, Stage 4: Mitigation. Currently only Stage One has been completed.

## **Conclusion**

The Bid Documents Stage for both the main building and the temporary market building are ongoing. Staff will be in a position to issue a Tender Call for the construction of the temporary market building in Q3, 2014, subject to confirmation from the Architect that the construction cost estimate for the new SLMN Building is within budget .

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## **SIGNATURE**

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