



Staff Report

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| Report To: | General Government Committee | | |
| Date of Meeting: | June 6, 2022 | Report Number: | FSD-028-22 |
| Submitted By: | Trevor Pinn, Deputy CAO/Treasurer | | |
| Reviewed By: | Mary-Anne Dempster, CAO | Resolution#: | |
| File Number: | | By-law Number: | |
| Report Subject: | Additional Funding for Shaw House Renovation | | |

Recommendations:

1. That Report FSD-028-22 and any related delegations or communication items, be received;
2. That an additional amount not to exceed \$200,000 from the Community Services Building Refurbishment Reserve Fund be allocated to the Shaw House Renovation Capital Project; and
3. That all interested parties listed in Report FSD-028-22 and any delegations be advised of Council's decision.

Report Overview

With the escalating costs of capital projects, Staff are anticipating that there may be insufficient funding available to award the construction tender for work to renovate the Shaw House (156 Church Street, formerly the Edna Thomson Learning and Child Care Centre).

The Municipality has previously tendered this renovation project, and based on the results of the costing we received, made a decision to cancel the tender and reconsider the proposed renovation plan. Subsequently the scope of the renovation has been revised and the new tender is scheduled to close in mid June.

As current market conditions continue to impact construction costs, staff are seeking consideration for access to additional funding that may be needed to approve this project and commence with the renovation at 156 Church Street.

The Municipality has received funding from the Government of Canada towards this project that does have a project completion deadline of December 31, 2024 with eligible costs incurred prior to December 31, 2023.

1. Background

- 1.1 The Municipality acquired the building located at 156 Church Street in 2019 from the Region of Durham. The property was the former location of the Edna Thomson Learning and Child Care Centre, which has now relocated within Clarington.
- 1.2 The following funding has been provided/approved by Council

| Year | Source | Amount |
|------|--------------------|-----------|
| 2020 | Tax Levy | \$300,000 |
| 2021 | Rate Stabilization | 300,000 |
| | Tax Levy | 175,000 |

| Year | Source | Amount |
|--------------|---|--------------------|
| | Investing in Canada Infrastructure Program (COVI-19 Resiliency) | 300,000 |
| Total | | \$1,075,000 |

- 1.3 With the release of the second tender for this renovation work, the completion is expected for early 2023. This would provide valuable space for the Municipality which could be used for both municipal and community purposes.
- 1.4 As this project has previously been tendered, any delay in awarding the subsequent tender release would not be projecting a positive message to the construction community and may have a negative impact when seeking responses in the future.

2. Additional Funding Request

- 2.1 In consultation with the Director of Community Services, Staff are asking for an additional \$200,000 of funding for the Shaw House Renovation. It is felt that with the added costs of construction the existing available funds could be insufficient.
- 2.2 To avoid delay in approval of a successful tender award, which could result if Council is in a restricted activities period starting in August 2022, Staff would ask that approval for an amount up to \$200,000 be funded from the Community Services Building Refurbishment Reserve Fund. The Community Services Building Refurbishment Reserve Fund has a balance in 2021 of approximately \$1.3 million, it is not anticipated that this request will detrimentally impact future availability of this fund.
- 2.3 Staff are of the opinion that if the \$200,000 is not sufficient the project would need to be reconsidered, which could include the loss of the provincial/federal funding.

3. Concurrence

This report has been reviewed by the Director of Community Services who concurs with the recommendations.

4. Conclusion

It is respectfully recommended that Council provide the additional funding to allow for the completion of the renovation work at Shaw House.

Staff Contact: Trevor Pinn, CPA, CA, Deputy CAO/Treasurer, 905-623-3379 ext.2602 or tpinn@clarington.net.

Attachments:

Not Applicable

Interested Parties:

There are no interested parties to be notified of Council's decision.