
DATE: June 7, 2011

REPORT TITLE: **PEEL HERITAGE COMPLEX INFRASTRUCTURE STIMULUS FUNDING
PROJECT 09-5172S - PROJECT UPDATE**

FROM: R. Kent Gillespie, Commissioner of Employee and Business Services

RECOMMENDATION

That the funding for Infrastructure Stimulus Funding project 09-5172S, Peel Heritage Complex, be increased in the amount of \$2,972,807 for additional construction, architectural and engineering costs and a contingency for the remainder of the work to be financed from the General Government Capital Reserve - R0230;

And further, that the contract (Document 2009-579T) for construction services for the Peel Heritage Complex between the Region of Peel and MJ Dixon Construction Limited be extended to provide additional construction services in the estimated amount \$2,202,652 (excluding applicable taxes) for a new total commitment of \$14,578,252 (excluding applicable taxes) in accordance with Purchasing By-Law 62-2008;

And further, that the contract (Document 2009-554N) for architectural and engineering services for the Peel Heritage Complex between the Region of Peel and Goldsmith, Borgal Company Architects be extended to provide architectural and engineering services in the estimated amount of \$112,850 (excluding applicable taxes) for a new total commitment of \$1,276,524 (excluding applicable taxes) in accordance with Purchasing By-Law 62-2008.

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PEEL HERITAGE COMPLEX INFRASTRUCTURE STIMULUS FUNDING PROJECT 09-5172S - PROJECT UPDATE**REPORT HIGHLIGHTS**

- The Peel Heritage Complex includes four historic and designated County of Peel buildings.
- When the former Housing Department was able to move into the 10 Peel expansion the whole site became available for the use of the Heritage Program.
- The Heritage Program has publicly donated collections of art, artifacts and archival material that is valued at over \$12M.
- A program review in 2009 showed that the collections were at significant risk of loss as they could not be stored or displayed on site and were being kept in substandard storage areas.
- A building condition assessment in 2009 showed that significant investment in major maintenance was also required just to preserve the buildings as they were.
- A conceptual design was prepared for the conversion of the whole site into Heritage uses which would preserve the buildings and also allow for storage and display of the collections.
- At the same time the Infrastructure Stimulus Funding program was announced and an application was made quickly based on an estimate of the conceptual design which was approved at \$10M.
- Following further design work the budget was approved at \$13,380,260.
- Unanticipated site conditions and significant design and construction requirements have resulted in the need for additional funds to complete the project in the sum of \$2,972,807.
- It is expected that the construction will be complete by September 2011 with fitting out and furnishing to be carried out during the remainder of the year and an official opening in the spring of 2012.

DISCUSSION**1. Background**

The Peel Heritage Complex is composed of four historic buildings for which the Region is responsible: the Peel County Jail; Court House; Registry Office; and the Peel County Building. The Heritage Program operates the Peel Museum, Art Gallery and Archives in these facilities. With the completion of the 10 Peel expansion the former occupancy of the Peel County Building and the Court House by the Housing Department (now part of Human Services) ended allowing the space to be used by the Heritage Program.

The Peel Heritage Program has responsibility for collections of art, artefacts and archival material largely donated by the public that is valued at over \$12 million. In 2009 a program review was conducted which showed that much of the collection was at serious risk of loss as it could not be properly stored on site and it could not be properly exhibited due to lack of exhibition space with the appropriate environmental controls. A high level conceptual design was proposed which outlined the changes required to remedy the situation and make better use of the existing facilities. On the basis of the conceptual design, an application for Infrastructure Stimulus Funding (ISF) was made for the renovation of and improvements to the facilities.

The project will allow the Heritage Program to develop into currently under-serviced areas of Peel through outreach, digitization and special events. Collaborative projects for the new space are already underway, such as the interactive touch table project which involves

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partners in Brampton, Caledon and Mississauga. The lending of art and artifacts to other approved institutions in the area will increase when the Permanent Collection is properly catalogued and stored on site under optimum conditions.

New spaces will be used to develop interesting and relevant exhibitions, in conjunction with community groups such as the South Asian Visual Arts Collective. Each year thousands of visitors will discover the story of Peel: immigration, innovation and creativity, finding connections with their own stories and communities.

In addition to creating very valuable and important cultural and heritage facilities where Peel's collections can be properly maintained and exhibited, improvements to accessibility are an important part of the project. The ability to increase revenue through admissions and fees for services can now be accommodated and as well, a gift shop is also included. Specifically the new spaces will generate income for the program in the following ways:

- attractive, accessible spaces available for rent (Courtroom, Council Chamber, Community Gallery and other spaces),
- enhanced visitor experience leading to more admissions and membership,
- retail sales through the gift shop,
- increase in group tours, particularly students, who will benefit from the group access point off Wellington,
- increased sponsorship opportunities for shows and exhibitions,
- greater prominence as a cultural institution attracting more donations,
- the ability to market the facility as a tourist destination increasing attendance.

The Heritage Program engages with the public through the Peel Heritage Complex Advisory Committee (PHCAC) and various sub-committees. Regional Council designates one member of Council to sit on the PHCAC. Currently, Councillor Sanderson sits on the PHCAC. The PHCAC and its sub-committees have been extremely supportive as they are well aware of the risk to the collections and the great opportunities that will be created through this investment in these Regional assets.

2. Project Status

The condensed timeline of the ISF application process resulted in some risk due to the fact that the scope of work was still in development. While a feasibility study had been completed, it contained only a conceptual design. Due to the narrow application window it was necessary to quickly estimate project costs based on the conceptual design without full detailed design being completed. Securing the ISF funding in the amount of \$10,000,000 allowed the project to continue.

Following ISF approval, Goldsmith Borgal Company Architects were engaged to provide Architectural and Engineering Services for the project under Document 2009-554N. Document 2009-579 T for the construction contract was awarded to MJ Dixon Construction Limited through the tender process.

As the conceptual design was refined, it became apparent that some components that were required to ensure that the facility would function adequately for all program needs would require more work. Much of this work was related to connection between the two sets of buildings. The Court House and County building are connected and the old Jail and Registry Office are connected but the two groups were not connected to each other. A connection above ground was not practical or possible due to the requirement to preserve

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the heritage components of the buildings under the heritage easement. The solution was to connect the two sets of buildings below grade (a tunnel). This requirement was needed to ensure:

- accessibility for the disabled to all areas of the site,
- safe movement of pedestrians, including school children, between the buildings without conflict with traffic and parking,
- safe and efficient movement of art and artifacts between storage and exhibition areas without exposure to the elements,
- operational safety and efficiency through reduced isolation of staff and services in two separate facilities.

The connection also provides significant additional exhibition space and an enhanced visitor experience through year-round all weather access between the buildings. Although the tunnel was included in the construction tender, it presented significant challenges that were not sufficiently anticipated or known ahead of time. These included:

- extension of permitting process and design issues related to connecting one set of buildings outside the flood plane (the old Jail) to a building in the flood plain (the 1959 County building),
- complex engineering and construction, including changes to elevator plans, required to accommodate tunnel,
- extensive underpinning of the foundations of historic buildings to prevent risk of collapse of these historic structures,
- complex design and construction of the geo-thermal heating installation due to change in site conditions (well and tunnel locations in conflict).

Elsewhere on the site, unanticipated site conditions were uncovered, for example, when the ceiling of the old Registry Office was removed it was discovered that the existing concrete roof deck was formed with drywall and showing excessive sagging which is dangerous structurally and need to be replaced. Complications were created by the nature of the historic buildings, where the state of the original construction was not known until they are exposed during construction. All of these issues required change orders to be issued to the contractor to meet the requirements of the job. The following is a summary of the financial impact of the change orders necessary to complete the project:

Existing Construction Contract	12,375,600
Existing Architectural and Engineering	1,163,674
Total Existing Design and Construction	\$13,539,274
Existing Project Budget	13,380,260
Existing Project Shortfall	159,014
Additional Construction Costs	2,202,652
Additional Design and Engineering Costs	112,850
Additional Contingency for Remaining Work	498,291
Additional Budget to cover Shortfall, Additional Work and Contingency	\$2,972,807

Even with this increase to the project budget, the value and financial benefit of the project to the Region can be seen if one considers the accompanying reduction in the 10 year capital maintenance budget. In 2009 a complete building assessment was completed. The 2009 capital plan for major maintenance necessary to keep the existing buildings in a state of

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good repair, without creating any of the new space and facilities under this project, totaled \$7,200,000. As a result of this project much of the work that was in 2009 plan has effectively been done and is no longer required. Not every part of the Complex was renovated under this project; however the current 10 year capital maintenance projection has been reduced to \$2,700,000, a savings of \$4,500,000. In other words, the Region would have had to spend \$4.5M in any event simply to preserve the existing heritage buildings without the benefits of the new space and program opportunities.

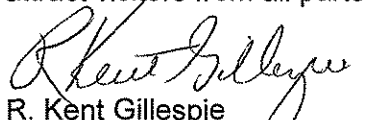
The construction is still underway with completion expected in September 2011. After the construction is complete there will be a period for fitting out with display fixture, furnishings and equipment that will take the rest of the year and into 2012. The grand opening is tentatively scheduled for spring 2012.

FINANCIAL IMPLICATIONS

It is proposed that the budget for Capital Project 09-5172S be increased by additional funding in the estimated amount of \$2,972,807 to be financed from the General Government Capital Reserve R0230. The increase will not be eligible for additional Provincial and Federal funding through the ISF program and will be fully financed by the Region of Peel.

CONCLUSION

The buildings known as the Peel Heritage Complex are among the oldest and most significant in Peel. These buildings are outstanding examples of adaptive re-use, and will provide opportunities for community engagement for years to come. The ability to leverage ISF funding in addition to pre-existing capital plans has allowed the creation of the new facility in addition to simply keeping the facilities in a state of good repair. The investment in these valuable Regional assets will ensure the proper presentation of the collections and will create a facility that will attract visitors from all parts of Peel and beyond.


R. Kent Gillespie
Commissioner of Employee
and Business Services

Approved for Submission:



D. Swarc, Chief Administrative Officer

For further information regarding this report, please contact Diane Allengame at extension 3629 or via email at diane.allengame@peelregion.ca