



STAFF REPORT ACTION REQUIRED

Redevelopment of St. Lawrence Market North – Status Update

Date:	June 1, 2015
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	Ward 28 – Toronto-Centre Rosedale
Reference Number:	P:\2015\Internal Services\FAC\Gm15013fac (AFS # 20305)

SUMMARY

The purpose of this report is to advise on the status of the St. Lawrence Market North Redevelopment Project. This redevelopment initiative aims to maximize the site's full potential while improving the utility of the Market Complex for vendors, visitors and shoppers.

RECOMMENDATIONS

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 2015 Capital Budget and the 2016 – 2024 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.

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
Total:	91.5

The total project cost of \$91.458 million was approved by City Council in July 2013. Current cash flows approved as part of the 2015 Capital Budget and 10 year Plan are shown below in Table 2.

Table 2 – St. Lawrence Market North Redevelopment Cash Flow Estimate and Plan (\$ millions)					
	Life to Date Spent (As of Dec 31, 2014)	2015	2016	2017	Total
Current Estimates	4.177	7.000	36.831	43.450	91.458
Approved Plan	4.177	17.315	46.831	23.135	91.458
Variance	0	(10.315)	(10.000)	20.315	0

The project has experienced design issues and changes driven by stakeholders, consultants and permit approval requirements. Therefore, the tendering process for new SLMN building is expected to commence in late 2015. Some of the design issues were related to the implementation of the temporary market, client scope changes and the resolution of Site Plan Application review comments.

Year to date spending (as of April 30, 2015) is \$0.403 million and it is estimated that only \$7.0 million or 40.4% of the 2015 approved cash flow of \$17.315 million will be spent by year-end. Any unspent cash flow will be carried forward to future years 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 2015 budget process. The updated cash flows will be submitted through the 2016 budget process to ensure they align with the latest forecasts.

The Deputy City Manager & 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 at 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.

The Project is being implemented in 3 major phases;

- Phase 1) Design and construction of a Temporary Market Building at 125 The Esplanade and client move.
- Phase 2) Demolition of the existing North Market Building at 92 Front St. including environmental and archaeological remediation of the site in advance of new construction.
- Phase 3) Design and Construction of New North Market Building.

As these phases are interdependent they are being implemented sequentially and funded within the current Project Budget of \$91.458M.

COMMENTS

Current Status

Construction completion of the Temporary Market Building is scheduled for June 01, 2015. Construction completion was delayed from December 2014 to June 2015 (6 months) due to delay in Bid Committee approval of the construction contract, longer than expected building permit review process, and the impact of Stage 2 archaeological assessment fieldwork. The fieldwork uncovered mid-19th century Esplanade crib wall, a series of late 19th century rail track beds, as well as evidence of mid to late 19th century wharf cribbing, see Appendix A.

A Stage 2/3 archaeological investigation is also required at the new building site. Should the archaeological fieldwork confirm findings of archaeological significance then full Stage 4 archaeological assessment is required. The City's Archaeology Consultant has advised that this could result in project delay of 6 to 12 months depending on the extent and significance of the archaeological findings. This would further impact spending and cash flow forecasts.

Procurement of the existing building demolition contract, site archaeological assessment services and vibration consulting services is currently underway. Demolition will be delayed from July 2015 to September 2015 due to construction restrictions in the downtown core associated with the Pan Am Games.

City staff has completed the Design Development Stage of the new North Market Building with the Architect. Client scope changes include additional market floor washrooms, the introduction of additional glazing for sound attenuation to 5th Floor courtrooms and a dedicated elevator to the commercial west side mezzanine space at the request of the St. Lawrence Market Precinct Advisory Committee.

Site Plan Application review comments that required resolution included insufficient clear ceiling height at the parking garage ramp, insufficient exiting capacity from 5th Floor courtrooms, and an Archaeological Monitoring and Mitigation Strategy.

The project is currently undergoing Bid Documents cost checks. City cost check 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

Schedule milestones as they stand now, subject to the extent of site archaeological assessment requirements for the new building, are as follows;

Phase 1) Temporary Market

- Construction Completion, Q2, 2015

Phase 2) Demolition, including site archaeology

- Building Demolition and Site Archaeology contract awards, Q3, 2015
- Demolition and Archaeology contract completion, Q4, 2015
(Assuming Stage 2/3 archaeology only)

Phase 3) Design and Construction of New North Market Building

- Bid Document Completion, including cost checks, Q2, 2015
- Construction Tender Call, Q4, 2015
(Subject to extent of site archaeology)
- Construction Contract Award, Q1, 2016
- Construction Completion, Q2, 2017
(subject to confirmation by contractor)

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 demolish the existing building, nor award a construction contract for the new permanent market 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. The City's Archaeology Consultant has advised that the archaeological investigation could result in project delay of 6 to 12 months depending on the extent and significance of the archaeological findings.

CONCLUSION

The Bid Document Stage cost checks for the main SLMN Building is ongoing. Staff will be in a position to issue a Tender Call for the construction of the main building in Q4 2015, subject to completion of site archaeology and confirmation from the Architect that the construction cost estimate for the new SLMN Building is within budget.

CONTACT

Richard Coveduck, Director
Strategic Construction Projects
Tel: 416-338-2737

Joe Casali, Director
Real Estate Services
Tel: 416-392-7202

SIGNATURE

Josie Scioli
Chief Corporate Officer

ATTACHMENT

Appendix A - Temporary Market Building Construction Progress Photographs

Appendix A - Temporary Market Building Construction Progress Photographs



Figure 1. Archaeology showing original lakebed sand, 19th century Esplanade crib wall, and wharf cribbing



Figure 2. Site servicing work.



Figure 3. Site work completed and backfilled. Steel truss framing installation underway.



Figure 4. Building structure completed including insulated fabric cover.



Figure 5. Interior fit-out nearing completion.



Figure 6. Exterior construction nearing completion.