

HISTORIC CITY HALL – REHABILITATION UPDATE AND PROJECT PLAN

EXECUTIVE SUMMARY

Update on progress to date on the restoration of Historic City Hall including scope, timing and funding allocation.

ADMINISTRATION RECOMMENDATION(S)

That Land and Asset Strategy Committee recommend that

1. Council approve the Historic City Hall Rehabilitation Project costs as set out in Attachment 2; and
2. Attachments 1, 2 and 4 remain confidential under Sections 23(1)(b), 24(1)(a), 24(1)(g) and 25(1)(b) of the *Freedom of Information and Protection of Privacy Act* until the Historic City Hall project is fully tendered.

RECOMMENDATION OF THE LAND AND ASSET STRATEGY COMMITTEE, DATED 2015 OCTOBER 29:

That Council:

1. Approve the Historic City Hall Rehabilitation Project costs as set out in Attachment 2; and
2. Keep Attachments 1, 2 and 4 confidential pursuant to Sections 23(1)(b), 24(1)(a), 24(1)(g) and 25(1)(b) of the *Freedom of Information and Protection of Privacy Act* until the Historic City Hall project is fully tendered.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2014 November 24 during budget deliberations, Council approved that Recommendation 6, contained in Report C2014-0863, be adopted, as follows:

“That Council:

6. (a) Approve the creation of a City-Owned Heritage Building Preservation Fund (the “Fund”) consisting of a one-time allocation of up to \$35 Million, funded from the 2014 operating surplus, to restore and preserve city-owned heritage buildings; and
- (b) May allocate monies from the Fund, from time to time, upon receiving a report from Administration which outlines the rationale for the funding request, such report to go to Council through the Land and Asset Strategy Committee.”

BACKGROUND

In 2014 November Council allocated up to \$35M to restore and preserve City-owned heritage buildings, including Historic City Hall.

Historic City Hall is designated a Municipal, Provincial and National Historic site. It is one of the most important historic buildings in Calgary and has housed the office of the Mayor and Council since it was inaugurated in 1911. Built as a symbol of Calgary's optimism and prosperity it has come to be associated with the history and resiliency of Calgary's citizens. The current condition negatively impacts the heritage value of this landmark symbol of Calgary.

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Built of local Paskapoo sandstone when Calgary was known as “Sandstone City”, this unique structure warrants the highest level of care to ensure it will remain as an enduring legacy to future Calgarians, Albertans and Canadians.

In 2014 September, when sandstone fragments fell from the upper portion of Historic City Hall, protective measures were immediately instituted as a safety precaution.

The Pre-Design Phase of the Historic City Hall Rehabilitation project is complete. Findings are summarized in Attachment 1.

Administration has issued a Request for Proposals for Construction Management services on the Historic City Hall Rehabilitation Project. It is anticipated that the Construction Manager (CM) will begin on the project by the end of 2015.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The rehabilitation of historic buildings differs greatly from new construction. The materials, methods, trades and experience required for historical rehabilitation projects are scarce and costly. Repairs to a 100 year old building, intended to last for over another 100 years, require proportionately more time to plan. In early 2015 Administration reviewed and approved Pre-Qualified consultant teams to act as prime consultants for the heritage building portfolio.

In 2015 July, Administration selected and engaged the top-ranking pre-qualified consultant team to conduct a detailed investigation in to the causes of Historic City Hall deterioration. The building's current condition, a result of previous patch repairs and deferred maintenance, requires careful and measured analysis to understand. Specifying the proper repairs and maintenance plan ensures the highest returns on investment by maximizing the lifecycle of this rehabilitation.

Administration and the consultant team have developed a preliminary scope, budget and schedule for the rehabilitation of Historic City Hall. The Historic City Hall Rehabilitation Project budget of \$34.1M is summarized in Attachment 2. The 60 month schedule, to be complete in 2020, is summarized in Attachment 3. More detailed on-site exploratory work, investigation into constructability options, and stone procurement and repair details may require revision to the project scope to remain within the approved budget.

The budget and schedule assume no occupancy during construction. Three options for temporary tenant relocation and interim work spaces during construction were considered. These options are detailed in Attachment 4. On 2015 October 15 the Councillor Office Coordinating Committee, along with representation from the Mayor's Office and City Clerks Office, approved recommendation “That the Council Coordinating Committee, including representation from the Mayor's Office and City Clerk's, direct Administration to proceed with Option 3 and relocate the building occupants for the duration of the project” to minimize costs, timelines, and health/safety risks.

Stakeholder Engagement, Research and Communication

Administration is working closely with internal stakeholders to ensure timely approvals for all required permits and authorizations. The Provincial Heritage Approving Authority has been engaged and informed throughout the project to make certain that all statutory Provincial approvals are acquired in a timely and efficient manner.

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Administration conducted research on other similar projects including the West Block rehabilitation project in Ottawa that is now underway and other similar major historic rehabilitation projects including Vancouver City Hall, Union Station in Toronto and buildings in Halifax. Additionally, Administration and the consultant team sought advice other major Alberta sandstone building rehabilitations including McDougall School and the Provincial Legislature.

The Calgary Heritage Authority has been kept informed throughout the project.

Administration will continue to keep all stakeholders, including City Council informed as we move forward on this rehabilitation project.

Strategic Alignment

The content of this report aligns directly with specific Council priorities and directions. The 2015-2018 Action Plan states: "Corporate Services is committed to improving public safety and neighbourhoods by enhancing plans to deal with emergencies, supporting increased use of public spaces to build closer community bonds and by protecting The City's heritage properties for future generations."

The City-owned Historic Building Management Plan aligns and supports this commitment and other City initiatives including the Calgary Municipal Development Plan (2009), the Calgary Heritage Strategy (2008), the City Centre Plan (2007), and the Municipal Heritage Conservation Framework (1979).

Social, Environmental, Economic (External)

Calgary's *Municipal Development Plan* recognizes historic preservation as part of good city building. Historic buildings serve to enhance our perspective, understanding and awareness of our past and help to build a sense of identity and pride in our local communities.

Financial Capacity

Current and Future Operating Budget:

An ongoing maintenance plan will be developed and recommended operating funding amounts will be identified in future Heritage Building Portfolio annual updates.

Current and Future Capital Budget:

The required budget will be funded from the City-Owned Heritage Building Preservation Fund (the "Fund") consisting of a one-time allocation of up to \$35 Million, funded from the 2014 operating surplus, to restore and preserve City-owned heritage buildings, including Historic City Hall and from existing capital programs in Corporate Properties and Buildings. Administration has identified and applied for any available grants to support the rehabilitation of Historic City Hall including the Canada 150 Program and the Alberta Historic Resources Foundation Conservation Grant Program. The Historic City Hall Class 4 budget required is \$34.1M as set out in Attachment 2. The necessary capital appropriation and increases and redirection of funds will be carried out through recommendations in LAS2015-34 City-owned Historic Building Management Plan – Status Update on this agenda.

Risk Assessment

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As capital investment for lifecycle and heritage element maintenance is deferred, the costs to achieve the same results increase. Additionally, annual operating costs increase due to deteriorating building conditions. Without investment, the risk to human health and physical safety will increase as Historic City Hall continues to deteriorate. Decline in structural and building system integrity could result in building closure and subsequent tenant relocations. Significant future deterioration of Historic City Hall could eventually result in an unintended loss of the historic building.

Project specific risks include the proximity to the Municipal Building and the 7th Ave. LRT platform, restricted lay down areas, potential disruption due to noise and construction activity, availability of materials and qualified contractors and cost overruns. These risks will be managed and mitigated by working closely and communicating with the Construction Manager, Transit, other relevant internal and external stakeholders and City communications and Municipal Building staff.

Costs will be controlled by managing and continually refining project scope details, phasing non-critical aspects of the project and identifying budget from existing funding sources.

REASON(S) FOR RECOMMENDATION(S):

The recommendations fulfill previous Council direction to undertake the rehabilitation of Historic City Hall and will enable Administration to proceed with the rehabilitation work.

ATTACHMENT(S)

1. **Confidential** - Historic City Hall Pre-Design Report Findings
2. **Confidential** - Historic City Hall Rehabilitation Project - Required Budget (Class 4 Estimate)
3. Historic City Hall Rehabilitation Schedule
4. **Confidential** - Historic City Hall Rehabilitation Project Relocation Options