



**REPORT TO:** Mayor James M. Diodati  
and Members of Municipal Council

**SUBMITTED BY:** Recreation & Culture

**SUBJECT:** **R&C-2020-04**  
**Construction of Culture Hub**

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## **RECOMMENDATION**

1. That Council award the contract to Garritano Brothers Ltd. for the construction of the Culture Hub & Farmers' Market at the tendered price of \$11,679,280.00 plus HST.
2. And that Council include the extra cost of \$250,363.63 for Photovoltaic Installation, total cost \$11,929,643.63.
3. That council approve an additional budget of \$1,450,000.00 bringing the total budget for the Culture Hub project from \$14,050,000.00 to \$15,500,000.00 with the additional \$1,450,000.00 to be funded from debentures.
4. That the Mayor and Clerk be authorized to execute this Agreement.
5. That Council approve the name of Niagara Falls Exchange for the new facility.

## **EXECUTIVE SUMMARY**

On February 14, 2017, City Council approved the City's 2017 capital budget. One of the approved projects was the development of a new facility that would accommodate a Culture Hub and new Farmers' Market space in the Main & Ferry area. The first step to develop the new facility was to conduct a stakeholder and community consultation. The City hired dtah to consult with the community, and conduct seven stakeholder meetings and an online survey to collect ideas for the direction of the facility. The study, conducted in two phases (community consultation and concept plan), included market, operational, financial, economic and social impact analyses of a multi-use facility that would house exhibition space, farmers market, administrative offices, classrooms/studios/presentation/rehearsal spaces, public spaces and green spaces.

Two public meetings were conducted to develop a concept that meets the needs of the community. Report R&C-2017-16 provided the details of these plans and the report was approved as recommended unanimously.

At the December 12, 2017 City Council meeting the 2018 capital budget was approved unanimously and supported finalizing the architectural drawings for the cultural facility, developing a branding package for the facility and determining the operating and business plan for the facility. The Culture Hub & Farmers' Market (CHFM) Steering Committee has been working alongside the consultant firms, dtah, Entro and 360 Collective Consulting to examine all aspects of the site.

The Hub was a major piece of the 2015 Culture Plan. It is a key component drawn from that plan to be a central place for the community to come together, and a space to facilitate creativity through a multi-disciplinary approach.

At the April 9, 2019 City Council meeting, Council approved report R&C-2019-07. The report approved recommendations directing staff to finalize the construction drawings, issue a call for tenders and seek additional funding for the project.

Capital budget approved to date is \$14,050,000.00; 2017 - \$400,000 Community Consultation and architectural drawings, 2018 – \$150,000 Business and Operating Plan plus additional studies – survey, geo-tech, geothermal, archaeology, 2020 - \$13,500,000.00 anticipated tender cost.

Total expenses to date are \$832,456.42. Future anticipated capital costs total \$14,563,186.64 bringing the anticipated costs to \$15,395,643.06. With an approved budget of \$14,050,000 staff are requesting additional budget approval of \$1,450,000 to be funded from debentures increasing the total budget to \$15,500,000.

## **BACKGROUND**

Community places that are dedicated to creation, ideas and arts presentation in the City are lacking. The proposed Culture Hub will be a place where arts, arts creation and the community can come together, providing for a more engaged, involved and vibrant community. The City is also lacking a proper indoor facility to house the Farmers Market. It is important to provide access to healthy food and farm to table opportunities alongside business opportunities for farmers and small businesses that support the Market activities.

The design and plans presented for the Niagara Falls Culture Hub/Farmers' Market propose highly adaptable and durable interior and exterior spaces that reinforce Main & Ferry as a vibrant, all-season cultural precinct in the heart of Niagara Falls.

The CHFM Steering Committee presented Council with an Operations Plan in April of 2019. Since that time, the steering committee has worked with dtah to finalize the plans for the new facility. There has been ongoing discussion with stakeholders and communications with potential user groups and the community.

In September 2019, Heritage Canada notified the City of Niagara Falls, that they would provide \$3,000,000 towards the construction of this facility. Staff continues to seek out other sources of capital costs.

## **ANALYSIS/RATIONALE**

A request for pre-qualification (RFPQ 27-2019) was issued during the summer 2019. The City received 23 firms interested in pre-qualifying for the project. Three firms failed to meet the minimal qualifications. Of the remaining 20 firms, 13 firms qualified to submit a tender proposal for this project. Staff received five submissions.

The construction tender was first issued March 2020 and cancelled due to COVID 19. The tender was re-issued on Wednesday, July 7<sup>th</sup> and closed Wednesday, July 22, 2020.

The following is a summary of the tendered prices (excluding HST) received from the General contractor submissions.

	<b>Name</b>	<b>City</b>	<b>Tender Price</b>	<b>Photovoltaic Installation (recommended extra) price</b>
1.	Brouwer Construction	St. Catharines	No bid submitted	NA
2.	<b>Garritano Bros. Ltd.</b>	<b>Oshawa</b>	<b>\$11,679,280.00</b>	<b>\$250,363.63</b>
3.	Jasper Construction Corp.	Concord	No bid submitted	NA
4.	JR Certus Construction Co. Ltd	Vaughan	Declined on bid	NA
5.	Merit Contractors Niagara Ltd.	St. Catharines	\$13,515,000.00	\$250,000.00
6.	M.J. Dixon Construction	Mississauga	No bid submitted	NA
7.	NIACON Ltd.	Niagara Falls	\$11,971,252.00	\$115,000.00
8.	Steelcore construction Ltd.	Scarborough	No bid submitted	NA
9.	Tambro Construction Ltd.	Guelph	No bid submitted	NA
10.	Triple Crown Enterprises Ltd.	Hamilton	\$15,885,470.00	\$275,000.00

11.	TRP Construction General Contractors	Burlington	Declined on bidding	NA
12.	Van Horne Construction Ltd.	Vaughn	\$15,050,997.00	\$180,000.00

The lowest tender price was received from Garritano Brothers Ltd. in the amount of \$11,679,280.00. After reviewing the tender package staff recommends the contractor Garritano Brothers Ltd. be awarded the contract to construct the Culture Hub.

### **FINANCIAL/STAFFING/LEGAL IMPLICATIONS**

Future anticipated capital costs will include:

Construction Tender Amount	\$11,679,280.00
Photovoltaic Installation	250,363.63
Permits and Approvals	\$34,000.00
Consultant Fees	\$562,915.00
Other Consultants (survey, geotech, geothermal, archaeology)	\$279,935.00
Project Management Consultant	\$190,850.00
Signage + Wayfinding Production (ENTRO)	\$80,000.00
FFE Allowance and AV	\$650,000.00
Construction Contingency (5% of tender amount)	\$583,964.00
<b>Subtotal</b>	<b>\$14,311,307.63</b>
Non-rebateable HST (1.76%)	\$251,879.01
<b>Total Project Value</b>	<b>\$14,563,186.64</b>

It is also anticipated that some private sector funds may be allocated for this project through Section 37 contributions. City funds that will be allocated to the project are anticipated to come from the issuance of debentures. The life cycle of the building is approximately 40 – 50 years with the loan period of the debenture term to be determined.

The operating costs were presented at the April 9, 2019 council meeting. The operations of the facility were examined as part of the overall staffing contingency of the Cultural division of the Recreation and Culture Department. As a result, some shared staffing and efficiencies were identified. It is anticipated that the Recreation and Culture Department will add 3.5 full time equivalent positions (FTE) to the overall City complement in a variety of roles on the property, the approximate cost of \$260,000. The site may hire

programming staff to assist with site needs in the workshop as well as evening and event support.

The Operating and Business Plan anticipates operational costs for this facility will be approximately \$425,000.

The City of Niagara Falls has successfully secured \$3,000,000 for the project from the Heritage Canada Program, Cultural Spaces Canada. These funds will assist in the construction of this project and some of the equipment required allowing this space a place for performance and art.

## **Legal**

Legal Services undertook a title search for the surrounding private properties that may have been impacted by the City's construction of a Culture Hub & Farmer's Market and confirmed that all properties will maintain vehicular access through existing easements or other mechanisms of legal access at the rear of their properties.

In addition, Legal Services and Planning staff is currently preparing easement and right of way agreements with the neighbouring property at 5962-5964 Main Street to provide and protect access to the loading facilities for both properties.

## **CITY'S STRATEGIC COMMITMENT**

Strategic Priority, A Vibrant and Well planned City, Key Action: Continue to implement the recommendations from the 2007 Strategic Plan for the provision of Parks, Recreation, Arts & Culture.

**Recommended by:**

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Kathy Moldenhauer, Director of Recreation and Culture

**Respectfully submitted:**

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Ken Todd, Chief Administrative Officer