



Report to: General Committee

Date Report Authored: December 10, 2012

SUBJECT: Stiver Mill Restoration – Community Infrastructure Improvement Fund (CIIF)

PREPARED BY: Phoebe Fu, Senior Manager Facility Assets, Ext. 3010
Renée Chong, Project Manager, Ext. 2674

RECOMMENDATION:

- 1) That the Report entitled “Stiver Mill Restoration – Community Infrastructure Improvement Fund (CIIF)” be received; and
- 2) That the City of Markham proceed with the completion of the Stiver Mill restoration for a total cost of \$1,901,800 on a 1/3 shared basis with Government of Canada and 2/3 funded by City of Markham;
- 3) That the project be funded from the following sources:
 - i. ‘Unionville Public Washrooms’ capital project #9219 with remaining funds of \$148,816;
 - ii. ‘Stiver Mill Preservation and Stabilization’ capital project #12284 with remaining funds of \$161,900;
 - iii. CIIF Grant for \$622,339;
 - iv. Section 37 funding in the amount of \$968,745.
- 4) That a capital project be established to undertake the work for the Stiver Mill Restoration Project (Project);
- 5) That the Mayor and Clerk be authorized to execute the contribution agreement, in a form and content satisfactory to the City Solicitor and Commissioner of Community Services and Fire;
- 6) That the tendering process be waived where it is necessary or in the best interest of the City to acquire Consulting and Professional Services from a supplier who has a proven track record with the City in term of pricing, quality and service, in accordance with Purchasing By-Law 2004-341, Part II, Section 7 (1) (h); and the City award the Consulting and Professional Services for detailed design and construction administration to David Johnston Architect for 10% of the estimated construction costs, not to exceed \$180,000, inclusive of contingency and HST impact; and
- 7) That Staff proceed with the preparation of the design drawings and tender documents, tendering and tender award as required for the restoration of the Stiver Mill and associated landscape works;
- 8) That the Chief Administrative Officer (CAO) be delegated authority to award the construction tender to the successful bidder provided that the project is within

budget or can be made to come within budget through selected scope changes and/or corresponding price adjustments and/or budget allocation changes;

- 9) That the Director of Planning and Urban Design, or designate, be delegated authority for Site Plan Approval;
- 10) And further that Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to inform General Committee that the City of Markham has been notified that the Project has been approved by the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) to receive funding from the Community Infrastructure Improvement Fund (CIIF) program for the Project, and to seek additional approval for the City's share of funding for the Project. Further, the purpose is to authorize Staff to continue with the design development, working drawings and specifications, tendering and tender award of the construction contracts to allow the construction of this facility to commence as soon as possible. This report also seeks authorization for staff delegated authority for site plan approval as well as approval of additional funding in the amount of \$1,279,461 to satisfy the terms of the CIIF.

BACKGROUND:

Staff recommended at the General Committee on October 15, 2012 that Stiver Mill be preserved to prevent further deterioration, restored to allow occupancy, and the overall site landscaping improved to create a welcoming public space. The work includes:

- Restoration of the exterior building envelope
- Renovation of the ground floor (1,120 sq. ft. heated usable space, 1230 sf. ft. unheated double height, tower section, for a total of 2,350 sq. ft.)
- Site landscaping

The estimated cost of the proposed restoration and landscaping work is \$1,901,800.

The Council Resolution indicated: 1) That the proposed restoration in the amount of \$1,901,800 be presented to the Stiver Mill Preservation Advisory Committee for input on restoration plan and future use of the Stiver Mill; 2) that the 'Unionville Public Washrooms' capital project #9219 be closed and that the remaining funds of the \$148,816 be considered as a funding source for the Stiver Mill restoration, 3) that the funding options as outlined under the 'Financial Consideration' section be considered to fund the remaining balance of the \$1,752,984.

The FedDev Ontario CIIF provides funding for the rehabilitation and improvement, including expansion, of existing community infrastructure facilities such as community centres, recreational facilities, cultural centres and other existing community infrastructure assets that have a local community impact, such as local roads and wastewater infrastructure. The program criteria and eligibility requirements are outlined below:

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- CIIF funding is for the rehabilitation or improvement, including expansion, of existing community infrastructure that is non-commercial in nature.
 - Ineligible expansion activities are those that would result in new infrastructure or a significant increase (i.e. 50% or more in square footage) in the footprint of the facility.
 - The facility needs to be open for use to the public and not limited to a private membership.
 - The eligible project must be substantially completed by March 31, 2014.
 - Eligible recipients may receive a non-repayable contribution under CIIF of up to 50 % of eligible costs to a maximum of \$1,000,000 with recipients providing the remaining balance. The total funding from all federal sources will not exceed 50 % of total eligible project costs. Priority may be given to those projects that require a CIIF contribution of only 33.3 %.
 - Eligible costs for support under the CIIF must be incurred between April 1, 2012 and March 31, 2014.
 - Ownership of Asset - If at any time within six (6) years from the date of completion of the project, the recipient sells, leases, encumbers or otherwise disposes of, directly or indirectly, any asset constructed, rehabilitated or improved, in whole or in part, with the financial assistance contributed under the terms of the CIIF, the recipient must repay the federal government, on demand, a proportionate amount of the financial assistance: within 2 years after Project completion, 100% repayment; between 2 and 6 years after Project completion, repayment of 55%; and 6 years after Project completion, 0%.

OPTIONS/ DISCUSSION:

The City of Markham (The City) has been informed that the CIIF application for the "Restoration of the Stiver Mill and enhancement of public spaces" project has been approved. One of the conditions of the funding is that the project is substantially completed by March 31, 2014. All expenses incurred after said date will not be eligible for funding.

To achieve substantial completion by March 31, 2014 the detail design work will need to commence immediately in order to tender and award the construction contract in April 2013. Construction must commence in the spring of 2013.

In order to deliver the Project in 15 months the Consulting and Professional Services award for design must be awarded immediately. David Johnson Architects (DJA) completed the concept design for the project and has been involved in the development of the restoration plans from the community level. Staff has received a quote for the scope of work from DJA and is satisfied that it is reasonable relative to the market. If the architectural service is tendered, there is a risk that the rates will not be as competitive as the current quote received from DJA and the detail design will not be available in time to tender the Construction of the Project. Staff recommends that DJA be awarded the project in accordance with the Purchasing By-Law 2004-341, Part II, Section 7 (1) (h) based on previous knowledge of the project and ability to initiate detail design immediately.

Staff from the Canada-Ontario Infrastructure Secretariat will contact municipalities whose projects have been selected for funding to sign a Contribution Agreement. Once the agreement is forwarded by the Secretariat it will be executed by the City's signing authorities.

The City is required to contribute the balance of the project cost as submitted in the application.

Staff obtained clarifications on the program eligibility criteria particularly related to the definition of "non-commercial" nature, and "lease", as summarized below. The following are the restrictions imposed on properties receiving the grant:

- The City is permitted to run programs and charging fees
- The City is permitted to rent out the space similar to renting of multi-purposes rooms at the community centre.
- The use of the space is to remain not for profit, although City can charge fees/rental to cover operating costs.
- For profit organizations/businesses such as professional offices/retail/food services will not be permitted.
- The City is permitted to run programs with a private instructor (with city charging fees directly to user).
- The City is permitted to lease the space long term to a community group/volunteer group with the group running the community program (e.g. art classes) in the space and charges the user a fee. City continues to own the building/land and maintains it, however the City does not operate the building.
- The City cannot lease the space to a revenue generating business.

GO Requirements/Restrictions - The south edge of the property is adjacent to the GO Transit railway corridor. In the agreement of purchase and sale executed between the Town (now City of Markham) and CN (now "GO Transit"), GO Transit agreed that it would not object to a rezoning of the site for commercial use. However, the agreement indicates that GO Transit may require a reinforced concrete wall for safety purposes in the event that the lands are rezoned for non-residential purposes.

The agreement further provides that nothing in the agreement provides consent for the following uses:

- Residential
- Church
- School
- Daycare

In 2000, Planning staff delivered a notice to GO Transit of the City's plans to rezone the property prior to the rezoning being approved. GO Transit did not provide any comments to the proposed rezoning or advise the City by the deadline that a crash wall was required. The property was rezoned by the passing of By-Law 122-72. Accordingly, it is the Legal Department's opinion that GO Transit's opportunity to require a crash wall

ended with the passing of the By-Law and appeal periods. No appeal to the said By-Law from GO Transit was received.

FINANCIAL CONSIDERATIONS AND TEMPLATE: (external link)

	Cost (\$)
Project Cost	\$1,901,800
CIIF Funding	\$ 622,339
City Funding Required	\$1,279,461
Unionville Public Washrooms – Project #9219	\$ 148,816
Stiver Mill Preservation and Stabilization – Project #12284	\$ 161,900
Section 37 Funding	\$ 968,745

To date, Markham has received \$4,422,500 in Section 37 funds.

HUMAN RESOURCES CONSIDERATIONS

Not applicable.

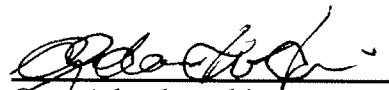
ALIGNMENT WITH STRATEGIC PRIORITIES:

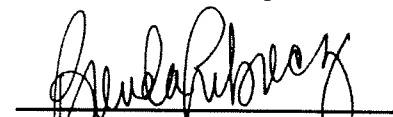
Not applicable

BUSINESS UNITS CONSULTED AND AFFECTED:

The Finance department has been consulted for both input and review of this report.

RECOMMENDED**BY:**


Gary Adamkowski,
Director, Asset Management


Brenda Librecz,
Commissioner,
Fire & Community Services

