



## INFORMATION ONLY COUNCIL REPORT

To: Mayor and Council

Date: February 27, 2024

From: Ron Mattiussi, Interim CAO

Subject: **City Hall Project - Update**

Report Prepared by: Trevor Seibel, Deputy CAO

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### PURPOSE

The purpose of this report is to provide Council and the community with an update on the City Hall Project and to outline next steps.

**RECOMMENDATION** to Consider and Resolve:

**THAT** the report titled “City Hall Project – Update” dated February 27, 2024 from the Deputy CAO, be received for information.

### STRATEGIC AREA(S) OF FOCUS

**Invest in Infrastructure** – We will invest in building, improving and maintaining infrastructure to meet the needs of, and to provide a high quality of life for, current and future generations.

### DISCUSSION

On November 14, 2023 Council was provided an extensive update of the City Hall Project. This report will provide an update on the new information since November 14, 2023.

#### Construction Update

The City Hall Project is progressing to completion despite some additional delays over late December and January. Weather, trade and consultant availability, material deliveries and other factors have slowed progress. The single biggest issue since the last update has been the delays from BC Hydro to electrify the site and building.

Major milestones since the previous report include:

- Asphalt paving completed before winter set in
- Permanent power to the site
- Sanitary lift station installed

- Start of Commissioning the facility

Remaining construction components generally include:

- The mechanical and electrical systems are being turned on, tested and commissioned while the final finishes are being completed.
- The drywall, flooring, interior glass and millwork are in the finishing stages. Initial cleaning of the building is being done in anticipation of moving over City information technology equipment.
- The asphalt and line painting are complete, and the final concrete pours will happen in late February and early March. Cladding is progressing and, despite needing to switch one type due to excessive oil canning, it is expected to be complete by mid-March.
- The new electrified partitions will be installed in early to mid-March, followed by any new furniture. IT and IS equipment will be transferred in mid-March. It will take anywhere from 2-4 weeks to properly commission and test all the infrastructure as we prepare for a fully-functional building to be operational and serve the public.
- New furniture and partitions will begin arriving and begin to be installed in mid-March.
- Moving in of equipment, furnishings and materials is expected to start toward the end of March, with staff and other organizational moves following shortly after and continuing through April in a phased approach.
- Concrete finishes, railings and the exterior cladding for the building. Each of these activities are anticipated to be complete by mid March.

There are also a few remaining items on the exterior of the project that City will be undertaking, which include:

- Landscape (primarily on the north side of the project site; a large portion was not included in the original contract. It would have been a change order to have it included).
- Civil works (prep for the plaza concrete removed from contract and being completed by City crews. A portion of BC Hydro trenching and grading was never accounted for in original contract and would have been a change order to have it included).
- Fencing around the generator, garbage area etc. was removed in order to redesign a more practical option than what was proposed.

There are a couple of identified risks, as we work close to completing the project, that could impact the remaining schedule:

- Integrated Systems testing – This is a BC Building code requirement that was not fully accounted for initially. This a coordination of testing all the systems. All coordinating professionals are on the same page at this time.
- Telus/Shaw into the building – We are waiting for each of these entities to get their technicians to site to complete required works. Everyone has been working diligently to make this happen, but any delays to their installation could result in overall delays to the project.
- Millwork – The front desk delivery is anticipated for the beginning of March. Should there be any further delay of delivery, it could impact the overall schedule.

### Staged Approach to Occupancy

Currently, building construction is approximately 95% complete with outdoor site works at approximately 95% complete. At the time of this report, building occupancy is anticipated toward the end of March. This is not the timeline that the building will open for public service. This means that the building transitions from an active construction site to an asset facility with permitted occupants (e.g. staff) who would need to begin preparing the building to be fully functional to serve the public. Everything from the front counter to information technology and service desks to operating Council Chambers will need to become functional on all floors to serve building tenants and the public.

As outlined in the November 2023 City Hall Project Summary and Council Report located here: [www.westkelownacity.ca/cityhallproject](http://www.westkelownacity.ca/cityhallproject), six organizations will be moving into the new building that will serve the public. This includes:

- West Kelowna City Administration (City)
- Okanagan Regional Library (ORL)
- Member of the Legislative Assembly (MLA)
- Member of Parliament (MP)
- Service BC
- Insurance Corporation of BC (ICBC)

City Facilities staff are coordinating the move-in details with further information to be confirmed from all organizations in the coming weeks. This includes a coordinated approach to loading bays, elevator lock offs, furniture mobilization, Information Systems installations, establishing workspaces and meeting rooms, along with other coordination details.

### Following Occupancy: Timeline For Public Service

Organizations will be able to begin moving in and unpacking, in phases, into the building as it becomes functional. This will be based on the outcome of the current testing and commissioning phase of the building, followed by the necessary work of Information Services and Facility teams. The overarching goals are to stage the move with the least

disruption to the public as possible, as cost efficiently as possible and communicate the transition of services as seamlessly as possible.

All organizations in the building will move-in and un-pack according to the confirmed timeline for occupancy and their respective move-in schedules. This planning remains underway and the dates that each organization will serve the public in the new building will derive from that. This includes the City, ORL, MLA, MP, Service BC and ICBC providing service in the building in stages, which will be widely communicated not only by each organization but also supported by the City. "All Things Service" for the new building will be available on the City's website this spring to help the community navigate the services provided, and when, in the new building. The next update will be provided in next month's report to Council.

Based on the updated construction and moving schedule, the first City Council Meeting is tracking to be held in May. A confirmed date for this meeting will be provided based on the testing and commissioning of the building in the next couple of months.

#### Community Welcome Celebration

At this stage, staff's focus remains on construction completion and testing and commissioning with the contractors onsite, the coordinated move-in and transition of services for the public and other operational priorities. Celebrating with the community is an important part of the historical story not only for the City of West Kelowna but for the community across the Greater Westside.

There are also several 'firsts' to be celebrated as part of Council's vision to provide civic centre services in the City Hall/Library Building:

- West Kelowna's first purpose-built City Hall after 16 years of incorporation;
- The first equity partnership between the ORL and the City; and
- The first building to combine other intergovernmental services that serve the Westside including the MLA and MP offices, and Service BC and ICBC.

Staff is working in collaboration with the ORL and other organizations to plan a welcome celebration that will also include tours of each floor of the building targeted for May or June.

#### Financial Status Update

At the November 14, 2023 update to Council, a revised project budget was presented to Council. Since that time, delays from BC Hydro, additional commissioning requirements, ongoing litigation matters, and changes required to rectify the siding concerns and building code requirements are putting pressure on the revised project budget. The following table provides the updated project budget.

	<b>CWK</b>
<b>Project Budget - November 14, 2023</b>	<b>\$22,398,000</b>
Potential/Identified Changes	\$399,000
<b>Project Budget – Revised</b>	<b>\$22,797,000</b>
<b>Funding deficiency</b>	<b>-\$399,000</b>

The potential/identified changes can be attributed to the following:

- Civil works (\$200,000) – this was a known change, but the actual costs came in higher than the preliminary costs estimate. Primarily tied to the BC Hydro works
- Cladding (\$75,000) – increased costs associated from installation and changed product; final installation anticipated in the coming weeks.
- Delay costs (124,000) – This was a known issue at the last report but not fully valued. The delays through Christmas confirmed the actual financial impacts.

In terms of how to fund the identified funding deficiency, there are two funding sources with available funds at this time for Council's future consideration. They are as follows:

- Growing Communities Fund; and
- Operating Surplus.

The City team is also working hard to negotiate the best possible outcome for the project to reduce cost escalation. At the conclusion of the project, a final report will be brought forward that will include project totals for Council's consideration of existing funding sources to ensure that no new tax increases result from the project.

#### Next Steps

Staff are continuing to work with Colliers Project Leaders as the City's project manager and will provide the next report at the March 26 Regular Council Meeting. This would include an update regarding further construction milestones, Commissioning progress, anticipated move-in phases, timing and other updates.

#### **COUNCIL REPORT / RESOLUTION HISTORY**

Date	Report Topic / Resolution	Resolution No.
Nov 14, 2023	<b>THAT</b> Council receive the revised project budget and endorse the financial strategy as contained in this report	<b>C336/23</b>
Jul 12, 2022	West Kelowna City Hall/Library Project Update	

**REVIEWED BY**

Sandy Webster, Director of Corporate Initiatives

Warren Everton, Director of Finance / CFO

Corinne Boback, Legislative Services Manager / Corporate Officer

**APPROVED FOR THE AGENDA BY**

Ron Mattiussi, CAO

PowerPoint: Yes  No