

# STAFF REPORT

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**TO:** Mayor and Council

**FROM:** Stephan Poulin,  
Director of Economic Development & Community Services

**DATE:** June 28, 2018

**RE:** **OPTIONS - VERNER MUNICIPAL BUILDING**

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## EXECUTIVE SUMMARY

On April 19<sup>th</sup>, 2018 the Chief Building Official deemed the OMAFRA office space located in the Verner Municipal Building unsafe. The Municipality retained the services of JL Richards to complete a Structural Condition Assessment Report (SCA) for Verner Municipal Building.

Following inspection by JL Richards, the entire building was deemed to be unsafe and at that time all tenants were mandated to leave the premises. As per the SCA report, major structural repairs were identified and required for completion prior to re-gaining access to the building.

Municipal staff have analysed several options for council to consider. These options are outlined in this report.

## OPTIONS 1: MANDATORY STRUCTURAL DEFICIENCY REPAIRS

This option includes repairs for all deficiencies that are mandatory as per the SCA report in order to regain occupancy of the OMAFRA space.

Timeline: .....9 - 12 months

Estimated cost: .....\$690,000 - \$765,000

### Other considerations;

- OMAFRA agreeing to remain in the space once repairs are completed
- If OMAFRA choses another location there will be a significant loss of revenue from rent
- Temporary location for remaining tenants and associated costs

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## OPTION 2: DEMOLITION OF OMAFRA SPACE

This option would include the complete demolition of the section of the building where OMAFRA is located.

Timeline: .....6 – 9 months

Estimated Costs: .....**\$175,000 - \$225,000** (demolition cost)

### Other considerations:

- Option of renovating former municipal space to accommodate OMAFRA (**\$240,000**)
- Renovating new municipal office in other location within the building (**\$50,000**) – (if OMAFRA agrees to remain in the building. If not, municipal office remains as is where is.)
- Temporary location for remaining tenants and associated costs
- If OMAFRA chooses another location there will be a significant loss of revenue from rent

## OPTION 3: COMPLETE DEMOLITION OF EXISTING BUILDING

This option consist of having the entire building demolished.

Estimated costs: .....**\$490,000 - \$550,000** (includes complete demolition, relocation of services for splash pad and landscaping)

### Other considerations:

- Impact on all existing tenants as they will be required to find a new location.
- Space is available at the Verner Pharmacy to accommodate all existing tenants however leasehold costs and lease rates have yet to be determined.
- Municipality would be responsible for relocation costs associated with the Library and ongoing rent.
- A final decision by council would be required to assume costs of relocation and on-going rent for Dr. Bourgault.
- OMAFRA will pursue options independently as their lease with the municipality would be cancelled.
- Temporary location for remaining tenants and associated costs (Library and Dr. Bourgault)
- Savings associated to on-going repairs and maintenance and operating costs of the existing building

## IN CONCLUSION...

With the exception of Option #3, there is considerable additional investment/work required to the building. The additional work is not required to re-gain occupancy; however, the work will be required to ensure the long term viability of the building. We anticipate having to complete repairs and renovations in the range of **\$500,000** in the next 1-3 years. This is in addition to the aforementioned mandatory repairs (Option 1 and 2). The scope of work includes;

- Outside brick remedial work
- Replace access ramp and site grading
- Roofing, flashing and caulking
- Renovation of washrooms
- Electrical upgrades
- Etc...