

**Ottawa Public Library Board**  
**Conseil d'administration de la Bibliothèque publique d'Ottawa**

**January 31, 2017 / 31 janvier 2017**

**Submitted by / Soumis par:**  
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**File Number:** OPLB-2017-0101

**SUBJECT: Central Library Development Project: Ottawa Public Library-Library and Archives Canada Joint Project**

**OBJET: Projet de construction de la Bibliothèque centrale : projet conjoint de la Bibliothèque publique d'Ottawa et de Bibliothèque et Archives Canada**

**REPORT RECOMMENDATIONS**

- 1. That the Ottawa Public Library Board receive the Ottawa Public Library (OPL)-Library and Archives Canada (LAC) Joint Project report including, the results of the Site Selection Process, and approve the closeout of Stage 1 of the Board-approved implementation process for the Central Library Development Project.**
- 2. That the Ottawa Public Library Board recommends that City Council approve the Ottawa Public Library-Library and Archives Canada (OPL-LAC) Joint Project for a new Ottawa Central Library as described in this report, and as follows:**
  - a. Approve proceeding with a partnership with Library and Archives Canada based on the overall assessment score, as detailed in the Ottawa Public**

**Library Development Project OPL-LAC Partnership Assessment Report  
(Document 2);**

- b. Approve the Central Library Development Project Relationship Framework, as outlined in this report and described in Document 3 with LAC for an OPL-LAC Joint Facility, subject to the approval of Government of Canada, and delegate the authority to negotiate and finalize a Relationship Agreement with Library and Archives Canada for the design, development, construction and operation of a joint facility to the CEO of the Ottawa Public Library, in consultation with the City Manager of the City of Ottawa and report back to OPL Board and City Council for approval of the detailed relationship agreement by June 2017, including as follows:**
  - i. That the Joint Facility be developed to be approximately 216,000 gross square feet (with an estimated 133,000 gross square feet allocated to OPL), that meets the intent of the functional building program requirements outlined in the Ottawa Public Library-Library and Archives Canada Joint Facility Master Program as described in this report and in Document 6;**
  - ii. That the City-owned site at 557 Wellington Street (Site 8) be the location of the new Ottawa Central Library, based on the approved site selection process described within this report and detailed in the Ottawa Central Library Development Project Site Evaluation Report (Document 8), and delegate the authority to the Director, Corporate Real Estate Office to take the necessary actions to assign the land for this project;**
  - iii. That the new Ottawa Central Library be delivered through a Design-Bid-Build procurement method as detailed in this report;**
- c. Approve in principle the estimated City-funded portion, \$99 million, of the total estimated project costs (\$168 million, Class D estimates) and related funding provisions as described in this report and set out in Document 12, and that the CEO of the OPL be directed to work with the City Manager to develop a funding strategy for the Ottawa Public Library/ City portion of the OPL-LAC Joint Facility and report back to the Board and City Council by**

**June 2017, with the intention of seeking project authority to proceed to the Design stage, as described in this report;**

- d. Direct the Director, Corporate Real Estate Office to investigate options to dispose of the existing assets at 120 Metcalfe Street/191 Laurier Avenue West and report back to the Ottawa Public Library Board, the Finance and Economic Development Committee, and City Council, as appropriate;**
- e. Delegate the authority to the Director, Infrastructure Services to initiate the procurement process for the design process as described in this report, subject to the understanding that a contract will not be awarded until the Ottawa Public Library Board and City Council have approved the Relationship Agreement and the Funding Strategy;**
- f. Direct City staff to undertake a detailed study into the parking requirements related to the OPL-LAC facility in order to clarify the expected need for public parking at the Joint Facility, confirming if any provision for parking aligns with the broader mandate of the City as well as that of the Municipal Parking Management Program, and report back to the Ottawa Public Library Board and City Council with a recommendation by March 2017.**

## **RECOMMANDATIONS DU RAPPORT**

- 1. Que le Conseil d'administration de la Bibliothèque publique d'Ottawa prenne connaissance du rapport sur le projet conjoint de la Bibliothèque publique d'Ottawa (BPO) et de Bibliothèque et Archives Canada (BAC), qui contient les résultats du processus de sélection d'un emplacement, et approuve la clôture de l'étape 1 du processus approuvé par le Conseil d'administration de mise en œuvre du projet de construction de la Bibliothèque centrale.**
- 2. Que le Conseil d'administration de la Bibliothèque publique d'Ottawa recommande au Conseil municipal d'approuver le projet conjoint de la Bibliothèque publique d'Ottawa et de Bibliothèque et Archives Canada (BPO-BAC), ayant pour objet la construction de la nouvelle Bibliothèque centrale d'Ottawa et décrit dans le présent rapport, et selon les modalités suivantes :**
  - a. Approuver la mise en place d'un partenariat avec Bibliothèque et Archives Canada, fondé sur le résultat global de l'évaluation, comme l'expose en**

détail le Rapport d'évaluation du partenariat BPO-BAC pour le projet de construction de la Bibliothèque centrale d'Ottawa (document 2);

- b. Approuver le cadre d'accord de relation du projet de construction de la Bibliothèque centrale, mentionné dans le présent rapport et décrit dans le document 3, conclu avec BAC pour une installation commune BPO-BAC, sous réserve de l'approbation du gouvernement du Canada, et déléguer à la directrice générale de la Bibliothèque publique d'Ottawa, en consultation avec le directeur municipal de la Ville d'Ottawa, le pouvoir de négocier et de finaliser un accord de relation avec Bibliothèque et Archives Canada concernant la conception, l'élaboration, la construction et l'exploitation d'une installation commune, et rendre compte au C.A. de la BPO et au Conseil municipal aux fins d'approbation de l'accord de relation détaillé d'ici juin 2017, y compris les dispositions suivantes :**

  - i. Que l'installation commune construite ait une superficie d'environ 216 000 pieds carrés bruts (dont environ 133 000 pieds carrés bruts destinés à la BPO), qu'elle corresponde aux objectifs du programme d'édifice fonctionnel décrits dans le Programme directeur d'installation commune pour la Bibliothèque publique d'Ottawa et Bibliothèque et Archives Canada, décrit dans le présent rapport et dans le document 6;**
  - ii. Que le terrain municipal situé au 557, rue Wellington (emplacement 8) soit retenu pour la construction de la nouvelle Bibliothèque centrale d'Ottawa, conformément au processus approuvé de sélection d'un emplacement décrit dans le présent rapport et exposé en détail dans le Rapport d'évaluation des emplacements du projet de construction de la Bibliothèque centrale d'Ottawa (document 8), et que soit délégué au directeur du Bureau des services immobiliers municipaux le pouvoir de prendre les mesures nécessaires pour affecter le terrain à ce projet;**
  - iii. Que la nouvelle Bibliothèque centrale d'Ottawa soit construite selon une méthode d'approvisionnement conception-soumission-construction, exposée en détail dans le présent rapport;**
- c. Approuver en principe la partie financée par la Ville, soit 99 millions de dollars, du coût total estimé du projet (168 millions de dollars, estimations**

de catégorie D) et les modalités connexes de financement décrites dans le présent rapport et mentionnées dans le document 12, charger la directrice générale de la BPO de collaborer avec le directeur municipal à l'élaboration d'une stratégie de financement visant la portion du projet d'installation commune BPO-BAC dont la Bibliothèque publique d'Ottawa et la Ville sont responsables et de rendre compte au Conseil d'administration et au Conseil municipal d'ici juin 2017, en vue de solliciter l'autorité nécessaire pour entamer l'étape de conception, comme il est décrit dans le présent rapport;

- d. Charger le directeur du Bureau des services immobiliers municipaux de rechercher des options de cession des actifs situés au 120, rue Metcalfe et au 191, avenue Laurier Ouest, et rendre compte au Conseil d'administration de la Bibliothèque publique d'Ottawa, au Comité des finances et du développement économique et au Conseil municipal, au besoin;
- e. Déléguer au directeur des Services d'infrastructure l'autorité nécessaire pour lancer le processus d'acquisition préalable à l'étape de conception, comme il est décrit dans le présent rapport, étant entendu qu'aucun contrat ne sera attribué avant l'approbation par le Conseil d'administration de la Bibliothèque publique d'Ottawa et le Conseil municipal de l'accord de relation et de la stratégie de financement;
- f. Charger le personnel de la Ville de réaliser une étude détaillée sur les exigences de stationnement relatives à l'installation commune BPO-BAC, afin de clarifier les besoins prévus en matière de stationnement public à cet endroit, confirmant ainsi que toute disposition relative au stationnement est conforme au mandat général de la Ville et au Programme municipal de gestion du stationnement, et de rendre compte au Conseil d'administration de la Bibliothèque publique d'Ottawa et au Conseil municipal d'ici mars 2017.

## **EXECUTIVE SUMMARY**

The Ottawa Public Library has plans to contribute to Ottawa's transformation into a world-class city by creating a modern, iconic Central Library that responds to today's rapidly developing technology, increasing and evolving customer expectations, and

changing demographics. Development of an inclusive, dynamic Central Library enabling creation and learning was approved as a strategic initiative by the Ottawa Public Library Board (“the Board”) in April 2015, and by Ottawa City Council (“Council”) in July 2015.

On June 9, 2015, a new build Ottawa Central Library with approximately 132,000 square feet of space, located in the Central Area<sup>1</sup> of the City as defined in the Official Plan; as well as a four-stage implementation process was approved. This decision:

- Best aligned with OPL’s strategic objectives;
- Had the lowest net present cost when compared to the other options; and,
- Represented the most efficient and effective option for Central Library Development.

Since June 2015, the Board has received the results of the surveying of customers and Stage 1 (REOI) of the implementation process. In March 2016, the Board approved concurrent planning processes for both an OPL Stand-alone facility and an OPL-LAC Joint Facility through a potential partnership with Library and Archives Canada. Since that date, the Board has approved a site selection process and a public engagement framework.

Because of the importance of this project to the community, both local and city-wide, the Ottawa Public Library Board has placed a priority on public consultation for the Central Library Development Project. Since 2015, the Board has received 10 reports, and more than 4,000 members of the public have provided feedback on the project overall.

The Board has undertaken due diligence to ensure that each step of the implementation process for the OPL Stand-alone Facility and OPL-LAC Joint Facility has been conducted in an impartial manner. To that end, a Fairness Commissioner was appointed in July 2015 to oversee the process. External consultants have been engaged to provide additional rigour, and third-party oversight and expertise on financial and risk analysis.

This report provides the Board with:

- Information to closeout Stage 1 of the approved implementation process;

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<sup>1</sup> Defined as the Central Area Land Use (“Central Area”) designation of the Official Plan, also shown as Area “A” on Schedule 1 of Zoning By-law 2008-250.

<http://documents.ottawa.ca/sites/documents.ottawa.ca/files/documents/cap089614.pdf>

- Recommended planning path (OPL-LAC Joint Project); with respect to an OPL-  
Stand-alone or an OPL-LAC Joint facility;
- Information needed to further define the OPL-LAC Joint Project including:
  - Recommended City-owned site at 557 Wellington Street;
  - Design-Bid-Build as the recommended procurement/project delivery  
method;
  - Estimated costs and funding sources as described below; and,
- Required next steps to advance the Project to obtain project authority and  
proceed to the next stages in the procurement process (RFQ/RFP).

It is recommended that the Ottawa Public Library Board receive the Ottawa Public Library (OPL)-Library and Archives Canada (LAC) Joint Project report including, the results of the Site Selection Process, and approve the closeout of Stage 1 of the Board-approved implementation process for the Central Library Development Project; and, that the Board recommends that City Council approve the Ottawa Public Library-Library and Archives Canada (OPL-LAC) Joint Project for a new Ottawa Central Library as described in this report.

Following the Board's direction in March 2016 to undertake concurrent paths, all planning studies respond to both an OPL Stand-alone Facility and an OPL-LAC Joint Facility. Results of all major processes for the OPL Stand-alone Facility are provided as attachments to this report.

Upon the Board's approval of the Ottawa Central Library OPL-LAC Joint Project as described in this report, this report will be forwarded to Ottawa City Council for consideration on February 8, 2017.

## **BACKGROUND**

The Ottawa Public Library has plans to contribute to Ottawa's transformation into a world-class city by creating a modern, iconic Central Library that responds to today's rapidly developing technology, increasing and evolving customer expectations, and changing demographics. Development of an inclusive, dynamic Central Library enabling creation and learning was approved as a strategic initiative by the Ottawa Public Library Board ("the Board") in April 2015, and by Ottawa City Council ("Council") in July 2015.

Libraries are a valuable public investment, providing many benefits to all of the residents and businesses of Ottawa. In November 2016, the Board received an

economic impact study which indicated that, for every dollar invested in the Ottawa Public Library, the community receives \$5.17 in benefits.<sup>2</sup>

In 2013, the Board received a report of its Library of the Future project which confirmed the value of the Ottawa Public Library to Ottawa residents, both for physical and virtual services, and for the provision of physical spaces. A 2015 Market Probe Public Opinion Poll conducted for the Federation of Ontario Public Libraries identified public acknowledgement of the public library's role in advancing literacy, equal opportunity, and quality of life in Ontario communities.

The OPL Board has seen the impact of municipal investment in public library buildings in other cities. The Halifax Central Library opened in December 2014; the building has won numerous architectural awards and has two million visits a year. Vaughan opened a new Civic Centre Resource Library in September 2016 which was featured in Toronto Life (October 5, 2016), and the Globe and Mail (September 9, 2016 and November 9, 2016,) as an example of how modern library services are provided in an architecturally significant building.

In addition, both the cities of Calgary and Edmonton are investing in their central libraries. Calgary is building a new \$245 million Central Library which is scheduled to open in 2018, and which is described as a “multi-faceted family destination and gathering space.” Edmonton is temporarily closing its central library at the end of 2016 to undertake a \$63 million revitalization of the existing 1967 building.

All of these modern libraries are bright, open places for collaboration, creation, and learning. They offer media rooms and creation spaces as well as books. They are community hubs with spaces for gathering. They showcase best practices and trends in public library spaces and services.

The current process for the development of a new Ottawa Central Library started in 2012, and a chronology of project milestones is attached (Document 1). Renovation of the existing Main Library facility was the planning focus from 2012 – 2014. In July 2014, the Board approved the Main Library Facility Planning Report (OPLB-2014-0063) which directed staff to “develop a further option analysis for a full 130,000 square foot functional program requirement for the Main Library at a new site” and report back in 2015.

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<sup>2</sup> Check Out the Benefit: the economic benefits of the Ottawa Public Library (November 2016)

On June 9, 2015, the Board approved the Central Library Development Report (OPLB-2015-0061). The report determined that:

- The new Ottawa Central Library should be a new building, with approximately 132,000 square feet of space, located in the Central Area<sup>3</sup> of the City of Ottawa (“City”) as defined in the Official Plan; and,
- There would be a four-stage implementation process consisting of:
  - Stage 1. Request for Expressions of Interest (REOI);
  - Stage 2. Request for Qualifications (RFQ);
  - Stage 3. Request for Proposal (RFP). This includes development and issuing of the RFP; and,
  - Stage 4. Design and Construction

In addition, the Board directed staff to undertake surveying of current Main Library users on how they reached the library, their purpose for visiting; and, of potential future users.

Since June 2015, the Board has approved key project milestones including:

- Creation of a Central Library Development Project Ad-Hoc Board Committee to provide advice and guidance to staff on Stages 1-3 of the Board-approved implementation process;
- Concurrent planning processes for both an OPL Stand-alone Central Library and an OPL-LAC Joint Facility, exploring a potential partnership with Library and Archives Canada as an outcome of Stage 1 of the implementation process (REOI);
- Site selection process, including site evaluation criteria and associated weightings; and,
- Ottawa Central Library Public Engagement Framework.

In addition, the Board has received the results of surveying of current Main Library customers as well as potential future customers; and, Stage 1 (REOI) of the implementation process.

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<sup>3</sup> Defined as the Central Area Land Use (“Central Area”) designation of the Official Plan, also shown as Area “A” on Schedule 1 of Zoning By-law 2008-250.

<http://documents.ottawa.ca/sites/documents.ottawa.ca/files/documents/cap089614.pdf>

Because of the importance of this project to the community, both local and city-wide, the Ottawa Public Library Board has placed a priority on public consultation for the Central Library Development Project. Since July 2015, The Board has received 10 reports, and more than 4,000 members of the public have provided feedback on the project overall – 4,004 through public consultations; and 40 public delegations at Board meetings (33 in-person and 7 written submissions).

The Board has undertaken due diligence to ensure that each step of the implementation process has been conducted in an impartial manner. To that end, a Fairness Commissioner was appointed in July 2015 to oversee the implementation process. In addition, external experts have been engaged to provide additional rigour, as well as third-party oversight and expertise on financial and risk analysis.

The recommendations in this report incorporate a number of actions for which the OPL Board requires City Council consent and approval. Specifically, the *Public Libraries Act* states, “A board may, **with the consent of the appointing council** [emphasis added]... (a) acquire land required for its purposes by purchase, lease, expropriation or otherwise; (b) erect, add or alter buildings; (c) acquire or erect a building larger than required for library purposes, and lease any surplus part of the building; and (d) sell, lease or otherwise dispose of any land or building that is no longer required for the board’s purposes.”

As this Project involves both the acquisition of land and a partnership arrangement with an external government that will involve a long term relationship, City Council approval is required. Council approval is also required for the budget, as the Ottawa Public Library does not have funds within its budget allocation that can provide for this legacy project. Ottawa City Council has the legislative authority to approve OPL’s annual operating and capital budget, and would also be required to fund the capital budget for this legacy project. In addition, the OPL does not have the expertise to manage this kind of construction project, and, in keeping with standard processes for legacy projects, will be asking City Council to oversee the construction, property acquisition, and traffic and parking studies. Therefore, Ottawa City Council is the final authority for the Central Library Development Project, and included in this report are such decisions for which the Board must seek Council approval or request an action of Council.

## DISCUSSION

The purpose of this report is to support the necessary decisions to advance the Central Library Development Project from planning to implementation, based on approval in principle of the estimated project costs and related funding provisions as described in this report.

The report and its recommendations have been structured into the following five sections in the sequence necessary to enable the decision.

The decision is comprised of five interrelated elements; any changes to sections 1, 2, 3, or 4 will have impacts on section 5: project costs and funding.

- **Section 1: Partnership with Library and Archives Canada:** The June 2015 Board-approved REOI process encouraged the exploration of partnership opportunities. In response to Board direction in March 2016 to undertake concurrent planning for both an OPL-Stand-alone and a potential OPL-LAC Joint Facility, the partnership option is the primary decision on how to advance the Project. This section summarizes qualitative and quantitative analysis on the value of the partnership determined through a business case; and, includes staff recommendations on the partnership and its governance structure;
- **Section 2: Functional Program:** Upon determination of the partnership option, the size of the facility – and the relative division between the two organizations – must be confirmed. This section summarizes further definition of the spaces required in the new Ottawa Central Library to support program requirements; and includes staff recommendations on the optimal size of the new facility;
- **Section 3: Site Selection:** Following confirmation of the partnership and the functional program, the site must be determined. This section summarizes the Board-approved site selection process, including the role of a Fairness Commissioner; Candidate Site Inventory; Stage 1 – Site Evaluation process and results including public consultation; Stage 2 – Further Due Diligence process, and results on the Board's confirmed short-listed sites; and, Stage 3 – Recommendation on the Preferred Site for the new Ottawa Central Library.
- **Section 4: Procurement / Project Delivery Method:** Supplementary to the above, this section identifies potential project delivery (procurement) methods, and includes a staff recommendation for the preferred project delivery model.

- **Section 5: Estimated Project Cost and Funding Strategies:** Based on the recommendations in each section above, this section identifies the estimated project costs, potential funding sources, and operating requirements, and includes a staff recommendation to develop a funding strategy for the project.

This report also includes a section regarding consideration of potential parking requirements to support the new Ottawa Central Library.

A number of documents are appended to this report to inform decision-making on the recommendations in this report:

1. Central Library Development Project Chronology, November 2016.
2. Ottawa Central Library Development Project OPL-LAC Partnership Assessment Report. Deloitte, December 2016.
3. Central Library Development Project Relationship Framework, December 2, 2016.
4. Ottawa Central Library: OPL Stand-alone Facility Option, December 2016.
5. Summary Report: Public consultations in support of the Ottawa Central Library Development Project: In-person Consultation Sessions on the Functional Program (June 15 and 22, 2016). PACE Public Affairs & Community Engagement, August 4, 2016.
6. Ottawa Public Library–Library and Archives Canada Joint Facility Master Program. Resource Planning Group Inc., December 2016.
7. Ottawa Central Library: Inventory of Candidate Sites. City of Ottawa, July 2016.
8. Ottawa Central Library Development Project Site Evaluation Report. Deloitte, December 2016.
9. Ottawa Central Library Development Project P3 Screening Assessment Report. Deloitte, December 2016.

10. Report for Class D Construction Cost Estimate, Ottawa Public Library (OPL/LAC), Exemplar Site (Site 8), City of Ottawa. Turner & Townsend, November 21, 2016.
11. Soft Cost Assumptions Ottawa Public Library: OPL and OPL/LAC, Exemplar Site (Site 8), City of Ottawa. Turner & Townsend, November 21, 2016.
12. Ottawa Central Library Project Cost Estimates: OPL-LAC Joint Facility and OPL Stand-alone Facility, December 2016.
13. Ottawa Public Library – New Ottawa Central Library Master Program. Resource Planning Group Inc., December 2016.
14. Report for Class D Construction Cost Estimate, Ottawa Public Library (Library Only), Exemplar Site City of Ottawa. Turner & Townsend, November 21, 2016.

It is recommended that the Ottawa Public Library Board receive the Ottawa Public Library (OPL)-Library and Archives Canada (LAC) Joint Project report including the results of the Site Selection Process, and approve the closeout of Stage 1 of the Board-approved implementation process for the Central Library Development Project. Upon approval, this report will be forwarded to Ottawa City Council for consideration on February 8, 2017.

It is further recommended that the Ottawa Public Library Board recommends that City Council approve the Ottawa Public Library-Library and Archives Canada (OPL-LAC) Joint Project for a new Ottawa Central Library as described in this report.

## **1. PARTNERSHIP WITH LIBRARY AND ARCHIVES CANADA (LAC)**

This section summarizes analysis undertaken to enable a recommendation to the Board on the potential partnership with LAC. This analysis was completed in response to:

- The January 2016 Letter of Intent between OPL and LAC; and,

- Board direction in March 2016 to undertake concurrent planning processes for both a stand-alone Central Library and an OPL-LAC Joint Facility.

### **1.1 Request for Expressions of Interest**

In June 2015, the Board endorsed a multi-stage procurement process to assist in refining the Central Library Development Project business opportunity and limit Project risk going forward:

- Stage 1: Request for Expressions of Interest (REOI);
- Stage 2: Request for Qualifications (RFQ);
- Stage 3: Request for Proposals (RFP); and,
- Stage 4: Design and Construction.

In Stage 1, the Central Library Development Opportunity REOI was posted on MERX on September 16, 2015 with a deadline of October 30, 2015 for requesting a Commercially Confidential Meeting (CCM). The purpose of the REOI was to gather feedback from the private development community and public sector on the best approach, and the most affordable way, in which to deliver the Project to the Board and Council, through possible partnership opportunities.

The REOI was positively received. One hundred and ten (110) organizations picked up the document on MERX, and 14 CCMs were requested from 12 private sector respondents and two public sector respondents. A total of 15 responses to the REOI were received. One of the public sector respondents was Library and Archives Canada which expressed interest regarding the potential to develop a joint facility.

On January 15, 2016, a Letter of Intent was signed by the Chief Executive Officer, OPL and the Librarian and Archivist of Canada, LAC, to investigate the terms of a potential and innovative partnership opportunity with respect to the Central Library Development Project and the development of a landmark facility in the Nation's Capital. The value of the potential partnership was envisioned as:

- The creation of a civic and national landmark;
- A richer customer experience for all visitors to a potential joint facility;
- Opportunities for shared programming;
- Enhanced access for OPL customers to national collections and resources; and,

- Increased visibility and exposure for LAC public services due to the high volume of visitors to the Ottawa Central Library.

On March 8, 2016, the Board directed staff to undertake a concurrent planning process for both an OPL Stand-alone Central Library and an OPL-LAC Joint Facility. This direction has been applied to all major processes related to Project planning as referenced in this report.

## **1.2 OPL and LAC Partnership Assessment**

A partnership assessment (business case) was developed to assess the value of the potential partnership between OPL and LAC. OPL engaged technical expertise through Deloitte LLC (“Deloitte”) to coordinate this work, and to enable a sound “go/no go” recommendation to the Board. The outcome is detailed in Document 2 - the “Ottawa Central Library Development Project: OPL-LAC Partnership Assessment Report” (Deloitte, December 2016) (“Partnership Assessment”).

The Partnership Assessment was based on two project options: Option 1: OPL Stand-alone Facility, and Option 2: OPL-LAC Joint Facility.

### **1.2.1 Qualitative Analysis and Risk Assessment**

Qualitative analysis evaluates each Project option against criteria that are not directly cost related but are very important for achieving the strategic objectives of each party to the Project.

To undertake this analysis, a list of 17 qualitative assessment criteria grouped into four categories (business drivers, design/technical, project delivery, and financial) was developed by Deloitte. Each criterion was assigned a weighting to reflect its relative importance to the Project.

The assessment criteria, including weightings, were reviewed and finalized by a project team made up of OPL, City, and LAC staff, supported by Deloitte. The project team then assessed the project options against each criterion, taking into account two considerations: alignment with project objectives, and risk to OPL and LAC. For alignment with objectives, each Project option was scored on the following scale:

0 = not aligned

1 = partially aligned

2 = moderately aligned

3 = substantially aligned

4 = fully aligned

5 = exceeds expectations

The scores were then multiplied by the applicable weighting to calculate the qualitative analysis score for each criterion. The project options were next assessed for risk to OPL and LAC. A three-point scale was used to assess the risk of not meeting a criterion: low risk (L), medium risk (M), and high risk (H). The scores for the two considerations (alignment and risk) were then combined to produce a risk-weighted score. Risk weightings were: H=0.5, M=1.0, and L=1.5.

The risk-adjusted qualitative analysis resulted in a score of 63% for an OPL Stand-alone Facility, and a score of 68% for an OPL-LAC Joint Facility. Scoring was based on a maximum of 100 points and a higher score was better. From a qualitative perspective, the OPL-LAC Joint Facility is expected to allow OPL to exceed its vision for the Ottawa Central Library, providing a richer customer experience and broader customer reach.

Results of the qualitative analysis and risk assessment are presented in Table 1 on Page 18.

### 1.2.2 Quantitative Analysis

The second part of the Partnership Assessment is represented by quantitative, or financial, analysis, based on a comparison of the net present cost of the OPL Stand-alone Facility to OPL's portion of the OPL-LAC Joint Facility. The net present cost for each Project option was calculated using a discounted cash flow model. The discount rate of 3.5% was provided by the City, and capital and operating cash flows were calculated over a 36-year term (2016-2051 inclusive) which represents pre- and post-occupancy of the new facility.

To enable the financial analysis, a detailed whole life cost estimate was developed by OPL, the City, and LAC, working with an external costing consulting firm, Turner and Townsend. The whole life cost estimates were presented in the format of cash flow projections, based on anticipated timelines, and grouped into the following categories:

- Capital costs assumptions;
- Lifecycle costs assumptions; and,
- Operating costs and revenues assumptions.

Additional assumptions used for this analysis related to:

- Site cost for the LAC portion of the OPL-LAC Joint Facility;
- Residual value of the building asset; and,
- Cost and revenue sharing between OPL and LAC. A cost sharing mechanism was developed and applied. It is generally based on the overall space allocations as defined in the Functional Program: 61% to OPL and 39% to LAC.

### 1.2.3 Financial Analysis Results

The financial analysis indicates that the net cost to OPL/City of the OPL-LAC Joint Facility option is approximately \$13 million less than the OPL Stand-alone Facility, as illustrated in Table 1 on Page 18.

The estimated cost saving associated with a Project option was calculated by comparing the net present cost of a specific Project option with the higher net present cost between the two Project options. Excluding a parking facility, the net present cost for the OPL Stand-alone Facility was \$272.8 million and for the OPL-LAC Joint Facility it was \$260 million. The cost saving is \$12.8 million.

A Financial Analysis Score of 4.7% was calculated for the OPL-LAC Joint Facility option by dividing the cost saving by the higher net present cost between the two Project options. The financial analysis indicated that the OPL-LAC Joint Facility option is the preferred Project option.

### 1.2.4 Partnership Assessment Conclusions

Both the qualitative and quantitative analysis identified the OPL-LAC Joint Facility as the preferred option. Table 1 summarizes the outcomes of the assessments of the two Project options based on a scenario excluding a parking facility. The scoring is derived

from both the qualitative, risk, and financial analysis with a scoring rationale that assumes each consideration is equally important.

**Table 1: Partnership Assessment Conclusions**

Assessment	Project Options	
	OPL Stand-alone Facility	OPL-LAC Joint Facility
Weighted Qualitative Score without Risk Assessment * 10	39	44
Risk Adjusted Qualitative Score * 10	47.5	51.1
Maximum Possible Risk Adjusted Qualitative Score * 10	75	75
<b>Total Risk Adjusted Qualitative Score (%)</b>	<b>63.3%</b>	<b>68.1%</b>
Net Present Cost	\$272.8 million	\$260 million
Cost Savings (relative to the option that has the higher Net Present Cost)	[--]	\$12.8 million
<b>Financial Analysis Score (%)</b>	<b>0%</b>	<b>4.7%</b>
<b>Overall Assessment Score</b>	<b>63.3%</b>	<b>72.8%</b>

The Overall Assessment Score combines the outcomes from the qualitative and risk analysis, and the quantitative financial analysis. At 72.8%, the Overall Assessment Scores indicated that the OPL-LAC Joint Facility option is the preferred approach for the Project.

Qualitatively, an OPL-LAC Joint Facility is expected to allow OPL to exceed its vision for the new facility, provide a richer customer experience and, broaden OPL's customer reach. This option also provides higher potential for achieving an efficiently designed, landmark facility, which will be flexible enough to allow OPL to respond to future changes in business needs. The additional stakeholders and complexity associated with an OPL-LAC Joint Facility increases the risk to Project management and delivery. However, this risk can be managed through a clearly established partnership agreement between OPL and LAC, and a strong governance structure for the Project.

Furthermore, a partnership with LAC, a prestigious federal organization, could potentially increase the opportunity to attract external funding, and, increases the likelihood of maintaining the long-term value of the facility, when compared against the OPL Stand-alone Facility option.

Finally, the analysis indicated that the OPL-LAC Joint Facility option has a lower estimated net present cost for the development and long-term operations of the facility, as compared to the OPL Stand-alone Facility option.

### **1.3 Staff Recommendation – Partnership with Library and Archives Canada**

The potential partnership with Library and Archives Canada provides an opportunity to contribute to the transformation of the Nation's Capital into a world-class city by creating a modern, iconic, dynamic Joint Facility. This type of partnership will be a first of its kind, and, therefore unprecedented in Canada.

It is recommended that the Board approve proceeding with a partnership with Library and Archives Canada based on the overall assessment score, as detailed in the Ottawa Public Library Development Project OPL-LAC Partnership Assessment Report (Document 2).

### **1.4 Project Governance**

The OPL-LAC Joint Facility Project is based on two institutions reporting to different levels of government: OPL, which is an agency of the City of Ottawa; and LAC which reports to the Minister of Canadian Heritage. A clearly-established partnership/relationship agreement between OPL and LAC will support strong governance of the Project. To this end, OPL and LAC have established a Relationship Framework (Document 3) that sets out the desired parameters for the planning,

designing, constructing of, and cohabitation in, a new Joint Facility as the foundation for a Relationship Agreement.

The Relationship Framework intends that the following areas be detailed in a long-term Relationship Agreement:

- i. Relationship structure and governance;
- ii. Site and facility ownership structure;
- iii. Project funding;
- iv. Project planning and design principles and process;
- v. Project procurement process;
- vi. Project delivery model;
- vii. Required approvals, including from governing bodies;
- viii. Site acquisition;
- ix. Project construction planning and methodology;
- x. Facility management, programming and operation;
- xi. Cost sharing principles and joint-use rights;
- xii. Communications strategy; and,
- xiii. Other matters.

### **1.5 Staff Recommendation – Relationship Framework**

It is recommended that the Board approve the Central Library Development Project Relationship Framework, as outlined in this report and described in Document 3 with LAC for an OPL-LAC Joint Facility, subject to the approval of Government of Canada, and delegate the authority to negotiate and finalize a Relationship Agreement with Library and Archives Canada for the design, development, construction and operation of a joint facility to the CEO of the Ottawa Public Library, in consultation with the City Manager of the City of Ottawa and report back to OPL Board and City Council for approval of the detailed relationship agreement by June 2017.

As a result of the above recommendation, the remainder of this report focuses on the OPL-LAC Joint Project planning option, and decisions related to implementation of a new Ottawa Central Library through this option. For reference purposes, details on the OPL Stand-alone Facility option are summarized in Document 4.

## **2. FUNCTIONAL PROGRAM**

The Resource Planning Group Inc. (RPG) was engaged in November 2015 through an RFP process to develop a functional program for the Ottawa Central Library. The Functional Program has several critical purposes to:

- Determine the minimum area needed for the site;
- Enable the development of cost estimates; and,
- Ensure that the building will work effectively and efficiently (function) in harmony with its design (form) in order to deliver services.

In June 2015, the Board approved a space requirement of an estimated 132,000 gross square feet for the Ottawa Central Library. The 2016 Master Program reflects 132,786 gross square feet allocated to OPL in the OPL-LAC Joint Facility.

Functional components were developed with the objective of bringing together the Ottawa Central Library and Library and Archives Canada's public services and programs currently located at 395 Wellington Street to create an enhanced customer experience for all visitors.

In-person open house sessions were held in June 2016 to obtain public feedback on the proposed components. The public consultation process is summarized in the Consultation section and the complete report is provided as Document 5.

### **2.1 Master Program**

The Master Program summarizes project parameters and the functional components that make up the OPL-LAC Joint Facility. It is the basis for a detailed functional program that will be used to inform the design process. The Ottawa Public Library - Library and Archives Canada Joint Facility Master Program (Document 6) identifies 21 functional components (Table 2) describing activities that will occur in these internal and external spaces, as well as the adjacencies required to ensure an exceptional customer experience.

The OPL-LAC Joint Facility contains OPL-only spaces, LAC-only spaces, and shared spaces. The shared spaces enhance the complementary but unique nature of OPL and LAC services and include:

- Exterior Spaces – a shared outdoor space for programs and activities, gathering, and the entrance plaza;
- Main Entrance and Town Square – a shared entrance space with access to OPL and LAC spaces, meeting spaces, featuring a café and Friends Shop;
- Public Forum and Meeting Spaces – large multi-purpose spaces for programming and events for OPL and LAC, as well as the community;
- Exhibition Gallery – museum-quality spaces featuring exhibitions of rare and unique LAC collections, traveling exhibitions; and OPL and Ottawa community exhibitions; and,
- Genealogy Centre – a one-of-a-kind research space offering OPL and LAC services and collections.

The optimal building configuration to support operational requirements is four levels above ground. The overall size of the facility is estimated at 215,458 gross square feet with 132,786 gross square feet allocated to OPL (61%), and 82,672 gross square feet to LAC (39%). Exterior spaces and a Parking Facility are not included within any building space calculations. Further considerations with respect to parking are described in section 6 of this report.

**Table 2: OPL-LAC Joint Facility Functional Components**

Functional Component	Estimated Size (GSF) <sup>4</sup>	OPL	LAC	Shared
1. Exterior Spaces: public arrival and departure, bicycle parking, service access	N/A			X
2. Main Entrance and Town Square: building entrances, atrium, café, Friends Shop, access to the Ottawa Central Library and Library and Archives Canada	10,459			X
3. Public Forum and Meeting Spaces: multi-purpose gathering room, meeting rooms	16,646			X

<sup>4</sup> Gross Square Feet

Functional Component	Estimated Size (GSF) <sup>4</sup>	OPL	LAC	Shared
4. Exhibition Gallery: national and community exhibits and artifacts	5,327			X
5. Library Entrance and Express: library entrance, self-service, stairs and elevators, popular materials	8,296	X		
6. Community Services: newcomers, adult literacy, learning languages, removing barriers to use	10,578	X		
7. Children's Discovery Centre: learning, playing discovering, story area, collections, gaming	12,622	X		
8. Creative Centre: teaching, experimentation, new technologies, materials, design, creation	8,232	X		
9. Teens' Centre: spatially and acoustically contained, noisy and quiet	4,208	X		
10. Adult Fiction and Non-Fiction: collections, business, careers, science, health, sports and recreation, stories and imagination	30,623	X		
11. Living Ottawa: past, present and evolving community history, community exhibits, collections and programs	8,974	X		
12. Service Coordination Centre: research, collaboration, program and service design and planning	5,757	X		

Functional Component	Estimated Size (GSF) <sup>4</sup>	OPL	LAC	Shared
13. Corporate Services: system-wide service and operations management, Library Board and City interfaces	9,900	X		
14. Genealogy Centre: individual and family genealogy resource centre, both OPL and LAC collections, archival records	7,425			X
15. LAC Entrance: informative exhibits, quick research, movement to secure areas	5,133		X	
16. Reference Services: collections and finding aids, expert assistance, identify goals, form research plan	8,350		X	
17. Reading Room: representative and Lowy collections, document delivery, client research, displays, digitization	26,911		X	
18. Staff Workspaces and Offices: operations management; in-person, phone and virtual research and navigation assistance, program design	12,805		X	
19. Preservation Lab: window on operations, showcase, conservation of resources	1,550		X	
20. Building Services / Materials Handling: secure materials handling, building management, materials and supplies storage	21,596			X
21. Parking Facility	TBD			X

## **2.2 Staff Recommendation - Facility Size**

It is recommended that the Joint Facility be developed to be approximately 216,000 gross square feet (with an estimated 133,000 gross square feet allocated to OPL), that meets the intent of the functional building program requirements outlined in the Ottawa Public Library-Library and Archives Canada Joint Facility Master Program as described in this report and in Document 6.

## **3. SITE SELECTION PROCESS**

Following recommendations on both the partnership with LAC, and the size required for the joint facility, the next recommendation on the OPL-LAC Joint Project is for the location of the new facility.

In April 2016, the Board approved the initiation of a multi-step site selection process for the new Ottawa Central Library. The goal was to identify the best possible site for the new Ottawa Central Library on its own and in partnership with LAC.

The services of external consultants, Deloitte, were engaged to facilitate the site selection process, and work with staff under the direction of the CEO. The Site Selection Process was completed in stages as described below, and was overseen by a Fairness Commissioner - Peter Woods, The Public Sector Company.

The site selection process was based on standard practices, City policies and applicable provincial and municipal legislation, and included public consultation. It included the following elements:

1. Development of an inventory of potential sites (the "Candidate Sites") within the Central Area;
2. Evaluation of Candidate Sites using Board-approved site evaluation criteria and associated weightings (Stage 1);
3. Completion of due diligence, including detailed financial analysis, on the short-listed sites to determine recommended site(s) (Stage 2); and,
4. Recommendation to the Board on the preferred site(s) followed by application to Council for consent for acquisition (Stage 3).

### 3.1 Candidate Site Inventory

The Candidate Site Inventory (Inventory) was compiled by the City of Ottawa's Real Estate Partnerships and Development Office, since renamed the Corporate Real Estate Office (CREO). The inventory supported both the OPL Stand-alone and OPL-LAC Joint planning options, and their respective site requirements.

There were two mandatory criteria of location and size for inclusion in the inventory:

1. Location within the Central Area: In June 2015, the Board approved the Central Area as the search area for the new Ottawa Central Library. The Central Area is bounded by the Ottawa River to the North, Albert / Gloucester / Lisgar to the South, King Edward to the East, and the Trillium Line (Bayview Station) to the West.
2. Minimum Site Area: The minimum site area for the OPL-LAC Joint Facility was determined as 64,500 square feet.

Inputs to the Candidate Site inventory included:

- City-owned properties;
- Sites identified through the REOI process;
- Sites identified through the open call-out process; and,
- Sites identified through technical expertise under the lead of CREO subject matter experts.

Twelve potential sites were publicly released on July 13, 2016 through the "Ottawa Central Library: Inventory of Candidate Sites" (Document 7). The sites and their boundaries are listed in Table 3 below.

**Table 3: Ottawa Central Library: Inventory of Candidate Sites**

No.	Site
1.	Bounded by George, Rideau, and Cumberland
2.	Bounded by Daly, Mackenzie King, and Nicholas
3.	Bounded by Slater, Laurier, and Bank
4.	Bounded by Queen, Albert, and Kent
5.	Bounded by Queen, Albert, and Lyon
6.	Bounded by Albert, Slater, and Lyon
7.	Mid-block between Slater, Laurier, Bronson, and Bay

No.	Site
8.	Bounded by Confederation Line, Albert, and Commissioner
9.	Bounded by Confederation Line, Albert, and East of Booth
10.	Site part of Phase 1 LeBreton Flats Development, and East of Booth
11.	Bounded by Confederation Line, Albert, and West of Booth
12.	Bounded by Scott, Trillium Line, and City Centre

Site 8 is a City-owned site and is located at 557 Wellington Street. As reported to the Board in December 2015, the site at 557 Wellington Street has three uses that are critical to the approved Project implementation process:

- Public Sector Comparator – the 2015 Central Library Business Case identified 557 Wellington Street as the best City-owned property for the purposes of a new build Ottawa Central Library. As the exemplar site, the property was used to develop a Public Sector Comparator for the purposes of financial analysis and development of the Partnership Assessment;
- Corporate Asset – the exemplar site is considered a corporate real estate asset which could be leveraged and sold to reduce the net cost of a new Ottawa Central Library; and,
- Potential Site – 557 Wellington was also identified as a potential site for the new Ottawa Central Library and was one of the 12 sites in the Inventory.

### 3.2 Site Evaluation Process

The site evaluation process is detailed in the “Ottawa Central Library Development Project Site Evaluation Report” (Document 8) prepared by Deloitte; this report also details the OPL Stand-alone Facility process. The process was enabled by a Site Evaluation Committee comprised of internal and external experts, and coordinated by Deloitte. The membership of the Site Evaluation Committee for the OPL-LAC Joint Facility was:

<b>Chair (Non-Voting)</b>	Bing Bing Wang, Vice-President, Infrastructure Advisory, Deloitte LLP
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<b>External</b>	David Leinster, Partner, The Planning Partnership*  James Parakh, Manager, Urban Design, City of Toronto*  David Gordon, Director, School of Urban and Regional Planning, Queen's University  *City of Ottawa Urban Design Review Panel Member
<b>City of Ottawa</b>	John Smit, Manager Policy Planning and Acting Director, Economic Development  Robin Souchen, Manager, Strategic Realty Initiatives
<b>Ottawa Public Library</b>	Elaine Condos, Division Manager, Central Library Project Richard Stark, Manager, Facilities Development
<b>Library and Archives</b>	Serge Corbeil, Director General, Real Property
<b>Canada</b>	Mario Gasperetti, Manager, Investment Planning and Portfolio Management

The site evaluation process included:

- Review and agreement on the recommended draft site evaluation criteria, including associated weightings;
- Review of detailed information on the 12 Candidate Sites;
- Stage 1 - Participation in Site Evaluation Consensus Workshop 1 (walking tour of all candidate sites, evaluation of all sites, and consensus on the short-listed sites to advance to Stage 2 - Further Due Diligence)
- Stage 2 - Review and confirmation of the process for Stage 2 including confirmation of due diligence factors, a scoring methodology, and overall site assessment scoring methodology; and,
- Stage 2 - Participation in Site Evaluation Consensus Workshop 2 (review and confirmation of sites after the completion of the due diligence process, consensus recommendation on the preferred site for each option).

### **3.3 Stage 1 – Site Evaluation**

Stage 1 of the Site Evaluation Process was detailed in the July 2016 Board report. The approved site evaluation criteria and associated weightings for the OPL-LAC Joint Facility are summarized below.

#### Screening Assessment Criteria Summary

A maximum of 100 points was allocated to the Screening Assessment Criteria and associated weightings; a minimum of 70 points was required to proceed to Detailed Assessment Criteria.

- S-1 The site allows for the design and development of a facility that is accessible by people with disabilities / Pass/Fail
- S-2 Sufficient site area to accommodate the functional building program / 20 points
- S-3 The site configuration and features allow for an innovative architectural design/ 5 points
- S-4 Visibility of the site / 15 points
- S-5 Accessibility by public transit / 25 points
- S-6 Accessibility by walking and by cycling / 15 points
- S-7 Proximity to the cultural and administrative centre of the City / 20 points

#### Detailed Assessment Criteria Summary

Detailed Assessment Criteria also totaled 100 points. Criteria and weightings for the OPL-LAC Joint Facility were:

- D-1 Zoning status / 4 points
- D-2 The site configuration and features allow for sustainable design and minimal environment impact / 8 points
- D-3 Proximity to paid parking spaces / 4 points
- D-4 Existing or planned future development in the surrounding areas will be complementary in terms of character and image of the facility / 8 points
- D-5 Proximity to existing or planned cultural, commercial, residential and institutional facilities that are complementary in terms of function and use / 6 points
- D-6 Proximity to existing or planned government institutional facilities that are complementary in terms of function and use / 6 points

- D-7 Development of the new library / archives facility would serve as a catalyst and economic driver for Central Area development / 7 points
- D-8 Development of the new library / archives facility contributes to the City's development policies, secondary plans and transit oriented growth and intensification / 7 points
- D-9 Development of the new library / archives facility contributes to the National Capital Commission (NCC) Comprehensive Plan / 7 points
- D-10 Development of the new library / archives facility contributes to the establishment of a new civic focal point and civic identity / 9 points
- D-11 Development of the new library / archives facility contributes to the establishment of a new national focal point supporting the National Capital and Canadians / 9 points
- D-12 No significant physical encumbrances / 7 points
- D-13 No significant servicing encumbrances / 5 points
- D-14 No significant environmental encumbrances / 5 points
- D-15 No significant legal encumbrances / 8 points

The Total Assessment Score was the Screening Assessment Score plus the Detailed Assessment criteria score, divided by two. Ranking of the sites was based on the Total Assessment Scores.

The Board approved the recommended evaluation criteria and weightings in July 2016. Given public concerns (identified through public consultation in 2015 and 2016) that the ability to walk to the Ottawa Central Library was more important for many local customers of the current Main Branch than public transit access, the Board directed that "The Site Evaluation Committee undertake a sensitivity analysis for information purposes on Screening Assessment Criteria S-5 - Accessibility by public transit (25 points), and S-6 - Accessibility by walking and by cycling (15 points), using adjusted weightings for each criterion for this purpose, for both an OPL Stand-alone Facility, and an OPL-LAC Joint Facility."

The adjusted weightings were 20 points each for criteria S-5 and S-6. The purpose of the sensitivity analysis was to demonstrate if the site rankings would be impacted by the application of adjusted weightings for these criteria.

Using the Board-approved site evaluation criteria and weightings, the Site Evaluation Committee completed Site Evaluation Consensus Workshop 1 to evaluate all 12 candidate sites for both the OPL Stand-alone and OPL-LAC Joint Project options. All members of the Site Evaluation Committee, the non-voting Chair from Deloitte, and an independent Fairness Commissioner were in attendance.

Support to the Site Evaluation Committee included:

- Background information prepared by CREO on the 12 sites in the Candidate Site Inventory;
- Indicative evaluation considerations, or guidelines, prepared by Deloitte, to assist the Site Evaluation Committee;
- A walking tour of all 12 sites; and,
- Presentations related to environmental encumbrances, and demographic data, provided by City staff experts.

For the OPL-LAC Joint Facility, the Screening Assessment criteria resulted in the screening out of five sites (Sites 1 to 5) due to insufficient site area. The remaining seven sites (Sites 6 to 12) met the 70% minimum threshold and proceeded to Detailed Assessment. The Total Assessment Scores and rankings are summarized in Table 4. Consensus scores for each site by each criterion are provided in Document 8.

**Table 4: OPL-LAC Joint Facility Site Evaluation Consensus Scores and Rankings**

No.	Site	Score <sup>5</sup>	Ranking <sup>6</sup>
6.	Bounded by Albert, Slater and Lyon	70.5	5
7.	Mid-block between Slater, Laurier, Bronson and Bay	61.9	7
8.	<b>Bounded by Confederation Line, Albert and Commissioner</b>	<b>87.1</b>	<b>1</b>
9.	<b>Bounded by Confederation Line, Albert and East of Booth</b>	<b>86.7</b>	<b>2</b>
10.	Site part of Phase 1 LeBreton Flats Development and East of Booth	72.1	4
11.	<b>Bounded by Confederation Line, Albert and West</b>	<b>85.4</b>	<b>3</b>

<sup>5</sup> Total points out of 100.

<sup>6</sup> Ranked position out of 7

No.	Site	Score <sup>5</sup>	Ranking <sup>6</sup>
	<b>of Booth</b>		
12.	Bounded by Scott, Trillium Line and City Centre	67.3	6

At the conclusion of Consensus Workshop 1, the highest-ranked sites for the Joint Facility were: 1. Site 8 – 87.1 points; 2. Site 9 – 86.7 points; and, 3. Site 11 – 85.4 points.

Once the evaluation of the sites was completed, the Site Evaluation Committee undertook the sensitivity analysis for the two Screening Assessment criteria related to Accessibility as directed by the Board. The sensitivity analysis resulted in an increase to the total score for Site 8 (to 87.5 points), and a decreased total score for both Site 9 (to 86.3 points), and Site 11 (to 85.0 points). As a result, rankings were unchanged by the sensitivity analysis.

All three highest-ranked sites (Sites 8, 9, and 11) are within the branch catchment area of the current Main Library. Key attributes of each site, as noted by the Site Evaluation Committee, are:

**Site 8** – Bounded by the Confederation Line, Albert Street, and Commissioner Street

- 3.56 acres / owned by the City of Ottawa / 557 Wellington Street
- 290 metres (950 feet) from the Pimisi LRT station
- Proximate to unique features such as the Escarpment, historic Fleet Street pumping station, aqueduct
- Natural extension of, and adjacent to, the Central Business District
- Quality view (short and long range) from multiple approaches
- Cultural and national attributes supporting a facility as the centre of a new civic and national focal point

**Site 9** – Bounded by the Confederation Line, Albert Street, and Booth Street (east side)

- 2.89 acres / publicly owned
- Integrated with the Pimisi LRT station
- Further from the Escarpment and the Central Business District
- Allows for short and long range views

- Would significantly contribute to the establishment of a new civic and national focal point

**Site 11** – Bounded by the Confederation Line, Albert Street, and Booth Street (west side)

- 2.82 acres / publicly owned
- Integrated with the Pimisi LRT station
- Further from the Escarpment and the Central Business District
- Allows for short and long range views
- Would significantly contribute to the establishment of a new civic and national focal point
- Site is part of the NCC's LeBreton Flats Request for Proposals

Following the completion of Site Evaluation Consensus Workshop 1, the Fairness Commissioner provided a written report attesting that:

- The composition of the evaluation team had the balance, breadth, and depth of expertise necessary to collectively make the necessary assessments;
- Background information provided was site-specific and provided consistent information pertinent to the criteria; and,
- Unanimous consensus score was reached for each criterion and each site following a full deliberation.

#### Board Confirmation of Stage 1 Results

As approved on July 12, 2016, results of the site rankings were reported to the Board on August 16, 2016. The reporting occurred in closed session, with a reporting-out date of December 2016.

The sites confirmed by the Board in Stage 1 remained confidential. This decision was based on the obligation to determine the best possible site for the future Ottawa Central Library at the best value for taxpayers, maintain competitive tension, and to allow for the completion of the site selection process (Stage 2 – Further Due Diligence). The requirement to maintain confidentiality was confirmed by the Director, CREO; City Clerk and Solicitor; and the Fairness Commissioner.

All of the highest-ranked sites were located in Sector 4 of the Central Area as defined in “Criterion S-7: Proximity to the cultural and administrative centre of the City.” Sector 4 is bounded by the Escarpment/Bronson Avenue, Albert Street, Preston Street, and the Ottawa River. Although all of these sites are unique, it was recognized that the Board had the ability to add a fourth site to proceed to due diligence as recorded in the July 2016 Board meeting minutes.

The Board discussed the option to include an additional site outside of Sector 4 for further consideration in the due diligence process. Staff confirmed that the next highest-ranked site outside of Sector 4 was Site 6. Site 6 scored 70.5 points in the site evaluation process, and ranked fifth out of the seven sites considered.

Site 6 is located in Sector 2 which is bounded by Elgin Street, Sparks Street, the Escarpment, and the Ottawa River. Following discussion, and upon advice from both City Legal Services and the Fairness Commissioner, the Board provided direction to staff to conduct further due diligence on Site 6 for the OPL-LAC Joint Facility. The overall Stage 1 ranking of this site remained unchanged.

Key features of Site 6, as noted by the Site Evaluation Committee, include:

- Bounded by Albert Street, Slater Street, and Lyon Street
- 66,230 square feet (1.5 acres) / multiple owners (private and public)
- Irregular shape including a “pan handle”
- Site allows for short range views (no long range views)
- Site approximately 80 metres from Lyon LRT station
- Would make a minor contribution to the establishment of a new civic and national focal point
- Site offers superior access to off-street public and private parking spaces within 200 metres

At the end of Stage 1, the Board-confirmed sites for Stage 2 – Further Due Diligence for the OPL-LAC Joint Facility were Sites 6, 8, 9, and 11.

### 3.4 Stage 2 – Further Due Diligence

At the beginning of the Stage 2 process, CREO was advised by the National Capital Commission that Site 11 was to be removed from further consideration. As a result, three sites (Sites 6, 8, and 9) proceeded to further due diligence for the OPL-LAC Joint Facility.

The Further Due Diligence process was facilitated by Deloitte, reviewed and confirmed by the Site Evaluation Committee, and monitored by the Fairness Commissioner.

During Stage 2 – Further Due Diligence, CREO, working with internal subject matter experts and external consultants, conducted detailed investigations of Sites 6, 8, and 9 using a consistent set of investigation factors (Table 5). These factors were used to identify any development and transaction issues associated with each site, and assess the potential impacts of the identified issues on the Project costs (“due diligence costs”).

**Table 5: Due Diligence Investigation Factors**

No.	Due Diligence Factor	Definition
1.	Parking requirements	Includes: <ul style="list-style-type: none"><li>• Site capacity to accommodate a one or two level parking garage for 200 vehicles</li></ul>
2.	Potential constructability constraints	Includes: <ul style="list-style-type: none"><li>• Estimated hard costs for construction of the building</li><li>• Structural and design premiums related to the Combined Sewage Storage Tunnel, and proximity to Light Rail Transit, as required</li></ul>
3.	Zoning	Includes, as required: <ul style="list-style-type: none"><li>• Zoning and Official Plan Amendment application fees</li><li>• Variance application fees</li><li>• Ontario Municipal Board costs</li></ul>
4.	Utilities availability	Includes: <ul style="list-style-type: none"><li>• Core services available</li></ul>

No.	Due Diligence Factor	Definition
		<ul style="list-style-type: none"> <li>Relocation of water mains, gas lines, and cellular sub-stations as required</li> </ul>
5.	Site servicing and infrastructure	<ul style="list-style-type: none"> <li>Includes storm water management</li> </ul>
6.	Transportation overview	<p>Includes, as required:</p> <ul style="list-style-type: none"> <li>Lay-by drop off lane</li> <li>Signalization and/or left hand turn lanes</li> <li>Sidewalks and/or multi-use pathways</li> <li>Use of street Right-of-Way</li> </ul>
7.	Environmental	<p>Includes, as required:</p> <ul style="list-style-type: none"> <li>Tipping fee premium for building excavation</li> <li>Groundwater treatment at construction</li> <li>Groundwater management during site potation</li> <li>Shoring and excavation premiums</li> <li>Building foundation premiums</li> <li>Additional studies, e.g. geotechnical, species at risk, environmental Phase II</li> </ul>
8.	Archeology	<p>Includes, as required:</p> <ul style="list-style-type: none"> <li>Archeological assessment</li> <li>Conservation documentation strategy</li> </ul>
9.	Existence of buildings that will need to be demolished	<p>Includes, as required:</p> <ul style="list-style-type: none"> <li>Demolition of temporary or permanent structures</li> <li>Removal of associated hazardous materials</li> </ul>
10.	Aboriginal considerations	<ul style="list-style-type: none"> <li>Includes consultation as required, at site selection stage</li> </ul>
11.	Site value/acquisition price	<p>Includes:</p> <ul style="list-style-type: none"> <li>Lost opportunity cost for City-owned site</li> <li>Assembled acquisition costs for non-City-owned sites</li> </ul>
12.	Operating cost premiums	Includes:

No.	Due Diligence Factor	Definition
		<ul style="list-style-type: none"> <li>• Site specific cost premiums, e.g. exterior maintenance</li> <li>• Increased costs to maintain and operate additional storey</li> </ul>

The dollar value of the cost impact was identified for each of these factors, as applicable, for each of the sites for the OPL-LAC Joint Facility. The **Total Due Diligence Cost** for each site equaled the sum of the potential acquisition cost plus the cost impacts of all of the due diligence factors.

The Total Due Diligence Cost for each site was then scored using a formulaic method prepared by Deloitte. This resulted in a scoring table (Table 6 below) pre-determined by the Site Evaluation Committee before the review of the estimated Due Diligence Costs.

**Table 6: Stage 2 - Further Due Diligence Scoring**

Stage 2 Scoring Formula	Score (out of 100)
(Total due diligence cost for Site X) – (Lowest total due diligence cost among the applicable Sites) ≤ \$8 million	100% * 100
(Total due diligence cost for Site X) – (Lowest total due diligence cost among the applicable Sites) > \$8 million and ≤ \$16 million	85% * 100
(Total due diligence cost for Site X) – (Lowest total due diligence cost among the applicable Sites) > \$16 million and ≤ \$24 million	75% * 100
(Total due diligence cost for Site X) – (Lowest total due diligence cost among the applicable Sites) > \$24 million and ≤ \$32 million	50% * 100
(Total due diligence cost for Site X) – (Lowest total due diligence cost among the applicable Sites) > \$32 million	0% * 100

The \$8M increments were pre-determined and used for the scoring of the Due Diligence Costs. \$8M equates to approximately 5% of the estimated construction costs (without an underground parking facility) for the OPL-LAC Joint Facility and 7% of those costs for the OPL Stand-alone Facility.

The site with the lowest Total Due Diligence Cost would score 100 points, and the remaining sites were then scored against that site.

### Stage 2 Due Diligence Results

The results of Stage 2 – Further Due Diligence are shown in Table 7.

**Table 7: OPL-LAC Joint Facility Due Diligence Score<sup>7</sup>**

	<b>Total Due Diligence Cost</b>	<b>Score</b>
Site 6	\$183,079,000	0
Site 8	\$149,689,000	100
Site 9	\$158,477,300	85

### 3.5 Overall Site Assessment Scores (Stage 1 and Stage 2)

The Site Evaluation Committee, monitored by the Fairness Commissioner, predetermined a methodology for calculating the overall site assessment score. The goal was to find the best possible site, as such, due to the criticality of selecting the site that best meets the Project needs for the OPL-LAC Joint Facility, and supports the City's overall urban development strategy, it was agreed that an 80/20 weighting would be used for the Stage 1 and 2 results respectively. For each site that proceeded to Stage 2 Due Diligence, an overall assessment score was based on the sum of the Stage 1 score calculated at 80% plus the Stage 2 score calculated at 20%, for a total score out of 100 points. This meant that cost represented 20% of the total assessment score, and was not the determining factor in site selection.

The overall scores for the OPL-LAC Joint Facility are detailed below in Table 8.

**Table 8: OPL-LAC Joint Facility Overall Site Scores**

	<b>Site 6</b>	<b>Site 8</b>	<b>Site 9</b>
Stage 1 Site Evaluation Score (out of 100 points)	70.5	87.1	86.7

<sup>7</sup> Includes parking requirements and land costs; and excludes soft costs.

<b>Stage 1 Adjusted Score</b> (Stage 1 Evaluation Score x 80%)	<b>56.4</b>	<b>69.7</b>	<b>69.4</b>
Stage 2 Further Due Diligence Score (out of 100 points)	0	100	85
<b>Stage 2 Adjusted Score</b> (Stage 2 Further Due Diligence Score x 20%)	<b>0</b>	<b>20</b>	<b>17</b>
<b>Overall Assessment Score</b>	<b>56.4</b>	<b>89.7</b>	<b>86.4</b>
<b>Ranking</b>	<b>3</b>	<b>1</b>	<b>2</b>

A strategic rationale of Site 8 - based on the Site Evaluation Committee's evaluation process – is provided below.

Site 8 scored highly (exceeded or significantly exceeded) on more than 70% of the evaluation criteria by the Assessment Committee. Site 8 was considered to have the most potential to advance the aspirations of both the OPL and LAC.

The site is located approximately 50 metres west of Bronson Avenue within the Escarpment District, a unique geological feature at the western gateway to the City's Central Business District. Situated between Cathedral Hill and LeBreton Flats, the site is in close proximity to residential and institutional facilities, as well as open green spaces (the Garden of the Provinces) and the historic aqueduct including the heritage Fleet Street Pumping Station.

The proposed building location, on eastern portion of Site 8, proximate to Commissioner Street, will be 290 metres (i.e. three to four minute walk) east of the Pimisi LRT Station. The site has vehicular access from Commissioner and Albert Streets and will be a focal point of the City's expanding cycling network. Future pedestrian access would be improved with the planned road and intersection modifications in 2019-2020 along the Albert / Slater corridor to facilitate movement and support integration with the Central Business District and residential neighbourhoods to the east and south.

The site size, shape, and vistas (including some protected long-range views from the north) facilitate the design and development of an innovative and iconic facility. The LRT tracks are hidden below grade along the northern property line and the site would

benefit from the natural ravine setting which would offer both great visibility to the new building as well scenic vistas when viewed from inside the building. Views to the north would overlook the ravine, parkland, the aqueduct system and the heritage pumping station with unobstructed views of Ottawa River.

This site will also be located at the western view terminus of Albert Street providing an opportunity for a landmark architectural gesture to be visible along this important downtown street, just as the National Arts Centre is visible as the eastern view terminus. In addition, the site's vista, when viewed from the north will be protected. The facility will be visible from Sir John A. Macdonald Parkway and in the direct line of sight as one arrives into the city along the Portage Bridge.

Site 8 has sufficient area to accommodate the required functional building program for the OPL-LAC Joint Facility supporting the optimal four-level design thereby mitigating operating costs. The site can accommodate a one level underground garage should parking be identified as a core requirement. In addition school and tour bus lay-by lanes can also be accommodated to address anticipated demand.

From a costing perspective, the opportunity cost associated with selecting Site 8 for the Central Library development is lower than the anticipated acquisition cost of Site 6 or Site 9. Also, the cost impacts (i.e. incremental capital and operating costs) of the unique challenges associated with Site 8 are also expected to be lower than those of Sites 6 and 9.

Overall, from a strategic perspective, development of a landmark City / National public facility on Site 8 would align with the City's development policies and secondary plans. It is consistent and supportive of the National Capital Commission's vision and development plans for the nearby LeBreton Flats district.

### **3.6 Stage 3 – Recommendation on the Preferred Site**

Site Evaluation Consensus Workshop 2 was conducted to review the results of the Stage 2 – Further Due Diligence process. This included a review of the overall assessment scores, and confirmation of the preferred site for recommendation to the Board. Site 8 was confirmed by the Site Evaluation Committee as the recommended site for the OPL-LAC Joint Facility.

It should be noted that the City of Ottawa owns 124,025 square feet (2.85 acres) of the 155,074 square foot (3.56 acres) site identified as Site 8 in the Candidate Site

Inventory. 3.56 acres was the site area provided to the Site Evaluation Committee for the evaluation of criterion S-2: Sufficient site area to accommodate the functional building program. The reduced site area, which significantly exceeds the site area requirements, has no impact on the evaluation of this criterion. In addition, there is no impact on the Further Due Diligence on Site 8 which was based on a 94,220 square foot requirement as determined through the conceptual blocking of a four-level facility on the City-owned portion of Site 8.

Following the completion of Stage 2 – Further Due Diligence, the Fairness Commissioner provided a written report attesting that the process was sound consisting of:

- A common extensive list of factors for each site;
- The collection of all relevant information available on each site from credible third party sources whenever possible;
- A simple framework based on estimated costs; and,
- Scoring methodologies based on commonly-used selection practices.

The Fairness Commissioner concluded that the consensus discussions were thorough with each Site Evaluation Committee member having the opportunity to participate, and the results were unanimous.

At the conclusion of this rigorous, collaborative, and multi-step site selection process, staff accepted the Site Evaluation Committee's recommendation of Site 8, the City-owned site at 557 Wellington Street, as the preferred location for the OPL-LAC Joint Facility.

### **3.7 Staff Recommendation – Site**

It is recommended that the City-owned site at 557 Wellington Street (Site 8) be the location of the new Ottawa Central Library, based on the approved site selection process described within this report and detailed in the Ottawa Central Library Development Project Site Evaluation Report (Document 8).

## **4. PROCUREMENT / PROJECT DELIVERY METHOD**

A procurement, or project delivery, method was required as part of Stage 1 of the Board-approved Central Library Development Project implementation process.

As previously reported to the Board, it was learned through the REOI process that the Ottawa Central Library should be a single-purpose landmark facility with distinctive architecture. In addition, there was no clear consensus from the REOI process on the project delivery method. Developer / General Contractor respondents favoured Design-Build while Project Manager / Architect respondents favoured Design-Bid-Build, which is a traditional model providing the greatest design control.

The importance of design has been mentioned frequently by the public during Ottawa Central Library consultations in 2015 and 2016. There is significant public interest in the development of an iconic facility. Discussions with the City's Planning Infrastructure and Economic Development Department also expressed the opinion that the City's preferred procurement method is Design-Bid-Build.

Design-Bid-Build is the City's preferred procurement method as it:

- Allows maximum control over the design and construction;
- Provides control over budget as a fixed price is obtained before final construction contracts are awarded; and,
- Provides a more streamlined implementation process.

A traditional Design-Bid-Build was identified as a potential Project Delivery Method. This procurement method entails the engagement of the design team by the project owner. This is followed by development of the design with the project owner until a complete design is reached. The detailed design is then tendered to the open market for bids. This allows the cost of the project to be identified before construction contracts are entered into. The price and construction contract terms are completed prior to construction commencing.

Through investigation of the partnership with LAC, Public Private Partnership (P3) was also identified as a potential Project Delivery Method. The Government of Canada has had demonstrated success in delivering major projects through P3s. As a result, an analysis of whether P3 would be a suitable delivery method for the joint OPL-LAC project was conducted. External services through Deloitte were engaged to facilitate this process which is summarized in the "Ottawa Central Library Development Project, P3 Screening Assessment Report" (Document 9).

The conclusion of the Deloitte analysis and that of OPL, City Infrastructure Services,

and LAC is that a traditional Design-Bid-Build procurement model is preferable for the delivery of the OPL-LAC Joint Project.

A Design-Bid-Build procurement method is recommended for the following reasons:

- Conventional delivery methods for delivering libraries are typically used in Canada;
- Design-Bid-Build is the preferred delivery method of the City of Ottawa and OPL;
- Both OPL and LAC have a strong desire to control the design of the building to ensure that it meets their combined unique organizational requirements, allows public input into the design, and ensures the iconic nature of the facility; and,
- Design-Bid-Build allows:
  - OPL and LAC to be involved throughout the design process to ensure the unique features of both OPL and LAC and their joint spaces are dealt with in the best interests of the partnership and the public;
  - Cost control through the design process and at the contractor engagement stage; and,
  - A staged approval process for the Board and Council at various gates in advance of commitment: procurement, design and construction.

OPL is governed by the City's Purchasing by-laws, regulations, and policies, and will be working with Supply Branch through the various stages of the Project's procurement process. In addition, OPL uses the services of the City's Infrastructure Services branch for the management of the design and construction process for all facility renewal, life cycle, and construction projects.

#### **4.1 Staff Recommendation – Procurement / Project Delivery Method**

It is recommended the new Ottawa Central Library be delivered through a Design-Bid-Build procurement method as detailed in this report.

Further it is recommended that the Board ask Council to delegate the authority to the Director, Infrastructure Services to initiate the procurement process (RFQ and RFP) for the design process, understanding that a contract will not be awarded until Council has approved the Relationship Agreement and the Funding Strategy.

## **5. ESTIMATED PROJECT COST AND FUNDING STRATEGIES**

Approved funding is required to advance the Project from planning to implementation. The June 2015 Board report estimated a new, stand-alone Ottawa Central Library would cost \$86 million. The Class D construction cost estimate for the OPL-LAC Joint Facility on the recommended site (557 Wellington Street) is \$168 million. The costs for the OPL spaces are estimated at \$99 million, with an estimated annual operating pressure of \$1.8 million.

The estimated total project cost of \$168 million reflects hard and soft costs, adjustments to account for the proposed project delivery implementation schedule, and HST. Like the 2015 estimate, it excludes parking facility costs. It should be noted that construction hard costs are the labour and material costs to construct the physical building, and soft costs are the non-construction costs including consultants, procurement, design, fees, furniture, fixtures and equipment, as well as moving costs.

While the June 2015 figure consisted of a high-level comparative analysis of several project options including New Build and modernization of the existing facility, these cost estimates were based on simple square foot costing established on historical information and a high-level program framework. The 2015 cost estimates were not informed by a master program which incorporated public input, and did not include detailed costs of site-specific servicing and remediation.

The Class D cost estimates for the joint facility are based on more rigorous, detailed planning and analysis by external quantity surveyors (Turner and Townsend). Development of the estimates was informed by blocking diagrams (based on the master program), the building size, and general design concepts of the building. These were further validated through insights gained through site visits (e.g. Halifax Public Library) and detailed discussions with City partners.

In addition to the Partnership Assessment (Document 2) and the Site Evaluation Report (Document 8), the following documents were used to develop cost estimates:

- Report for Class D Construction Cost Estimate, Ottawa Public Library (OPL/LAC), Exemplar Site (Site 8), City of Ottawa. Turner & Townsend, November 21, 2016. (Document 10)

- Soft Cost Assumptions Ottawa Public Library OPL and OPL/LAC, Exemplar Site (Site 8), City of Ottawa. Turner & Townsend, November 21, 2016. (Document 11)

#### OPL-LAC Joint Facility Capital Requirement

The optimal configuration for the OPL-LAC Joint Facility was identified as a four-storey facility (i.e. four levels above ground). Project cost estimates are broken down in Table 9 and detailed further in Document 12.

**Table 9: High Level Capital Costs**

	<b>Amount (\$,000)</b>
Land	0
Construction (hard costs)	131,000
Construction (soft costs)	37,000
<b>TOTAL</b>	<b>168,000</b>

Capital costs will be shared between OPL and LAC. As defined through the Master Program, the size of the OPL-LAC Joint Facility is an estimated 215,458 gross square feet with 132,786 gross square feet allocated to OPL (61%), and 82,672 gross square feet to LAC (39%). As such, sixty-one per cent (61%) of the overall capital project costs will generally be allocated to OPL and the City, with the remaining thirty-nine percent (39%) to Library and Archives Canada.

Approximately 94,220 square feet of land (2.2 acres) on 557 Wellington Street is required to meet the functional program of the joint facility. The estimated market value of the land component is \$8.95 million and is considered in the overall capital cost of the project. It is recommended that LAC fund the proportionate share of the land required to support their building program, at an estimated value of \$3.49 million. It is also recommended that the City provide the lands to the Ottawa Public Library Board for the new Ottawa Central Library at no cost. Hence, the amount above does not provide for a land cost for OPL.

Library and Archives Canada will contribute \$69 million in capital funding (including their share of the land, but excluding LAC-specific project costs) to the project. This amount represents the associated capital costs required to meet general and specific space requirements (e.g. security of collections). In addition, LAC will seek project approval

and spending authority from the Government of Canada for the construction and on-going costs for the building of an OPL-LAC Joint Facility.

The \$168 million capital project cost is allocated as shown in Table 10.

**Table 10: OPL and LAC Capital Contributions**

Library and Archives Canada Contribution Building	\$69 million
Ottawa Public Library Contribution Building	\$99 million
<b>TOTAL</b>	<b>\$168 million</b>

#### Funding Strategy

To offset the City / OPL portion of the debenture financing costs for the new facility, there are a number of funding sources available. Confirmed funding sources include the use of Development Charges (\$3.2 million) (OPL Central Area) and OPL (\$1 million) (Library) Reserves. This amount equals \$4.2 million, thus reducing the amount required to \$94.8 million.

Other potential funding strategies that can assist to further offset the City / OPL portion of the debenture financing costs for the new facility include, but are not limited to, the following:

- Sale of the existing Main library structure, and air rights lease at 191 Laurier Avenue West and 120 Metcalfe Street;
- Solicitation of infrastructure grants from both the federal and provincial governments;
- Value-engineering within the procurement process; and,
- Development and implementation of a capital fundraising campaign.

#### Operating Requirement

It is anticipated that the new Ottawa Central Library will have increased annual operating and maintenance costs, in the amount of \$1.8 million, over the existing facility. This iconic building will:

- See an estimated 130% increase in number of visits (approximately 4,500 visitors daily);
- Offer new types of services (e.g. creation spaces including media and recording studios; Living Ottawa, a special focus on past, present and evolving community history, genealogy centre, partnership opportunities, etc.);
- Provide for expanded square footage (both internally and externally) requiring additional upkeep (e.g. cleaning, lawn maintenance, snow clearing, etc.); and,
- See an increase in meeting space, moving from two rooms currently to 17 rooms in a Joint Facility.

High-level operating costs are identified as follows:

Service Delivery	\$0.872 million
Maintenance/Security/Other	\$0.928 million
TOTAL	\$1.8 million

City Council has endorsed the use of debt financing for projects that are classified as being “legacy.” Projects of this nature must be “one of a kind,” contribute towards the quality of life in the city, and have “multi-generational benefit.” The Ottawa Central Library project fits these criteria and is classified as being “legacy” capital works, as confirmed in the People Services Facility Study, 2001-2002 (DmA Planning and Management Services).

Although the City’s Fiscal Framework limits the amount the taxes that can be increased in a given year to service the debt on non-legacy projects to no greater than one-quarter of 1% of property taxes, the new Ottawa Central Library development project is classified as legacy capital works, and this limitation does not apply.

In keeping with Council’s past practice for legacy projects, a separate funding strategy for this legacy project will be developed and reported back to the Board and Council in June 2017, when the Relationship Agreement is considered. Although staff anticipates they will be able to present significant offsets to the current project costs, based on the Project cost estimate, the “worst case” scenario would be \$94.8 million in tax-supported debt financing. This would represent an annual debt servicing cost estimated at \$5.5 million. The increased operating cost is estimated at \$1.8 million annually, for a total estimated annual impact of \$7.3 million.

### **5.1 Staff Recommendations – Estimated Project Cost and Funding Strategies**

It is recommended that the Board approve in principle the estimated total project costs of \$168 million (Class D estimates) and related funding provisions as described in this report and set out in Document 12, and that the CEO of the OPL be directed to work with the City Manager to develop a funding strategy to best address the Ottawa Public Library/ City portion of the OPL-LAC Joint Facility (\$99 million) and report back to the Board and City Council by June 2017, with the intention of seeking project authority to proceed to the Design stage, as described in this report.

It is further recommended:

- a. That the Director, Corporate Real Estate Office be directed to investigate options to dispose of the existing assets at 120 Metcalfe Street/191 Laurier Avenue West and report back to the Ottawa Public Library Board, the Finance and Economic Development Committee, and City Council as appropriate; and,
- b. That authority be delegated to the Director, Infrastructure Services to initiate the procurement process for the design process as described in this report, subject to the understanding that a contract will not be awarded until the Ottawa Public Library Board and City Council have approved the Relationship Agreement and the Funding Strategy.

## **6. PARKING**

It is anticipated that the OPL-LAC joint facility will be both a regional attraction and local destination expected to generate 4,800 visits per day or 1.68 million visits per year. Parking was raised as a consideration through public consultations in 2015 and 2016. In response, Criterion D-3 “Proximity to paid parking spaces” was included in the approved site evaluation criteria. The Stage 2 - Further Due Diligence evaluation assessment criteria also included in the comparative analysis the cost implications to construct a one- or two-level parking garage. In addition, a Parking Facility functional component was added to the development of the Master Program.

The new Ottawa Central Library will be located in Ottawa’s Central Area which has reduced parking requirements. On July 13, 2016, Council approved changes to Zoning By-law 2008-250. This includes a provision that no parking is required near certain LRT

stations in Area Z which includes the Central Area. As a result, parking-related costs are not included in the capital cost estimates of this report. It should be noted that parking requirements were not considered in the 2015 Board Report and Business Case.

However, City staff in both CREO and Parking Services Branch, as well as external consultants, has noted that the anticipated visitor volumes and varied nature of the programming, combined with limited existing surrounding public parking options, will result in the requirement for some amount of site parking. The size, construction costs, operating costs, and revenue require further investigation.

### **6.1 Staff Recommendation - Parking**

It is recommended that City staff be directed to undertake a detailed study into the parking requirements related to the OPL-LAC facility in order to clarify the expected need for public parking at the Joint Facility, confirming if any provision for parking aligns with the broader mandate of the City as well as that of the Municipal Parking Management Program, and report back to the Ottawa Public Library Board and City Council with a recommendation by March 2017.

## **7. NEXT STEPS**

It is recommended that the OPL Board approve the OPL-LAC Joint Project for a new Ottawa Central Library as described in this report. Upon approval, this report will be forwarded to Ottawa City Council for consideration on February 8, 2017.

Upon Board approval, Stage 1 of the Board-approved implementation process for the Central Library Development Project will be concluded. Table 11 summarizes the key activities that will be required to advance the Project to the RFQ and RFP stages for design services.

**Table 11: OPL-LAC Joint Project Next Steps**

Activity	Date	Approval
Parking Requirements Analysis Report	March 2017	Board Council
LAC project approval and spending authority	Spring 2017	Government of Canada
Central Library Development Relationship Agreement	June 2017	Board LAC Council
Funding Strategy Report (to seek project authority to proceed to the Design phase; includes disposal of assets)	June 2017	Board LAC FEDCO / Council

## CONSULTATION

The Board has made it a priority to ensure that the public is engaged, and has the opportunity to be involved in each step of the development of the Ottawa Central Library. During the Project planning phase, three opportunities for public consultation have been available, using a variety of methods including public meetings and electronic information gathering.

Since July 2015, the following public consultation has been undertaken and reported to the Board:

**2015 Public Surveying:** 1,500 opinions were collected through in-person and online surveying on what is important in the development of a Central Library. Key insights included:

- Ease of access to public transit was most important, followed by convenience of location
- Bright and natural light was very important, both inside and outside the building
- A welcoming and safe feel was very important, as was accessibility
- Architectural importance and open space were moderately important

**2016 Site Evaluation Criteria:** 176 in-person and 1,780 online participants shared what is important to them about where the Ottawa Central Library should be located. Key insights included:

- Ease of access by all means of transportation was most important to online and in-person participants
- Being welcoming to people with disabilities was most important to online participants
- A location in a densely populated or frequented central area was a prominent theme with in-person and online participants

**2016 Functional Building Program:** The results of public consultation in June 2016 are being reported here. 121 people participated in two in-person public meetings on the functional program, or “what will be built.” Feedback was obtained on functional use, adjacencies, and breakdown of size of various spaces. Public input was collected for both the OPL stand-alone facility and the OPL-LAC joint facility.

In-person sessions were held on June 15, 2016 at Ottawa City Hall and on June 22, 2016 at Library and Archives Canada, 395 Wellington Street. The sessions were structured so that participants could browse information at their leisure (open house style), and engage in more in-depth discussions with staff and experts. The information on display pertained to the functional program being developed. Information was presented on a large “Story Wall” display to convey what might be included (features and activities) in the Ottawa Central Library as well as details on what the partnership with LAC could bring (the LAC value-add).

In addition, Consultation Kiosks were set-up, breaking down the 15 publicly accessible functional components into five thematic groupings:

- Approaching and Gathering
- Entrance and Orientation
- Creation and Content
- Children and Teens
- History and Research

There was general support for the project and for the spaces and uses that were proposed at the consultation sessions. Most comments were positive and validated the

functional building program that was put forward for review. This was clearly demonstrated by the high satisfaction rates that participants provided through written questionnaires.

Participants were asked to indicate how satisfied they were with each thematic grouping, where “1” meant “Dissatisfied” and “4” meant “Very Satisfied”. All thematic groupings received ratings higher than 3 out of 4. There was also majority support expressed for a partnership with Library and Archives Canada and the benefits that such a joint facility would offer. The complete report on the June 2016 consultations is provided as Document 5.

#### Other Consultation

Advice was provided by the Board Ad-Hoc Committee which includes Chair Tim Tierney, and Trustees Allan Higdon, Catherine McKenney, and Pamela Sweet. Staff met with the Board Ad-Hoc Committee regularly throughout this phase of the Project.

Initial consultation has taken place with the Pikwàkanagàn community. The Central Library Development Project is seen an opportunity; as a place to go to get information, take part in cultural and artistic activities, and as a safe place to express thoughts and dreams. The Pikwàkanagàn community welcomed the opportunity to be consulted during the early stages in the Project.

The Ontario Ministry of Tourism, Sport and Culture was advised of the potential partnership with LAC and no governance issues were identified.

Consultation on the recommendations contained in this report will be undertaken in January 2017 with results available for the Board meeting on January 31, 2017.

#### **LEGAL IMPLICATIONS**

There are no legal impediments to the approval of the recommendations contained in this Report. The Recommendations reflect the requirement under Section 19 of the Public Libraries Act that both the Ottawa Public Library Board (the “OPL Board”) and City Council must approve the site acquisition, funding and construction of the proposed Central Library. For convenience, Section 19 is set out as follows:

*19(1) A board may, with the consent of the appointing counsel . . . ,*

*(a) acquire land required for its purposes by purchase, lease, expropriation or otherwise;*

*(b) erect, add to or alter buildings;*

*(c) acquire or erect a building larger than is required for library purposes, and lease any surplus part of the building; and*

*(d) sell, lease or otherwise dispose of any land or building that is no longer required for the board's purposes.*

In addition, Legal Services is of the view that the breadth of Section 19 above, and in particular Subsections (a) and (b), mandates that the proposed partnership with Library and Archives Canada also be subject to Council approval.

In summary, Council approval of the Recommendations will permit staff to undertake the further work necessary to proceed with the next phase of planning for the Project. That said, the approval of the final construction contract and funding /financial strategy will be the subject of a later report to the OPL Board and City Council. Further, while the approval in principle of the proposal partnership with Library and Archives Canada is intended to permit the latter government organization to seek its requisite approvals from the Government of Canada, the legal implications of the partnership arrangement, notably in relation to each partner's respective ownership interests, will not be known until such time as the Relationship Agreement contemplated in the Report is finalized.

The legal implications associated with the proposed partnership arrangement with Library and Archives Canada will be detailed when the Relationship Agreement is presented to the OPL Board and City Council for approval, at a later date.

## **RISK MANAGEMENT IMPLICATIONS**

There are risk implications. These risks have been identified and explained in the report and are being managed by the appropriate staff.

## **FINANCIAL IMPLICATIONS**

As described in this report. While there are no direct financial implications with the approval of the recommendations in this report, both costs and a funding strategy will be provided in the reports on the Relationship Agreement and Funding Strategy scheduled to be brought forward to the Library Board and Council in June 2017.

## **ACCESSIBILITY IMPACTS**

There are no accessibility impacts related to this report.

## **TECHNOLOGY IMPLICATIONS**

There are no technology implications related to this report.

## **BOARD PRIORITIES**

Central Library Development is a 2015-2018 approved strategic priority for both the Board and City Council.

## **SUPPORTING DOCUMENTATION**

*Supporting Documentation (Document 1 to 14) immediately follows the report.*

- |                   |  |
|-------------------|--|
| <b>Document 1</b> | Central Library Development Project Chronology, November 2016.   |
| <b>Document 2</b> | Ottawa Central Library Development Project OPL-LAC Partnership Assessment Report. Deloitte, December 2016.   |
| <b>Document 3</b> | Central Library Development Project Relationship Framework, December 7, 2016.  |
| <b>Document 4</b> | Ottawa Central Library: OPL Stand-alone Facility Option, December 2016.  |
| <b>Document 5</b> | Summary Report: Public consultations in support of the Ottawa Central Library Development Project: In-person Consultation Sessions on the Functional Program (June 15 and 22, 2016). PACE Public Affairs & Community Engagement, August 4, 2016. |
| <b>Document 6</b> | Ottawa Public Library–Library and Archives Canada Joint Facility Master Program. Resource Planning Group Inc., December 2016.  |
| <b>Document 7</b> | Ottawa Central Library: Inventory of Candidate Sites. City of Ottawa, July 2016.   |
| <b>Document 8</b> | Ottawa Central Library Development Project Site Evaluation Report. Deloitte, December 2016.  |

- Document 9** Ottawa Central Library Development Project P3 Screening Assessment Report. Deloitte, December 2016.
- Document 10** Report for Class D Construction Cost Estimate, Ottawa Public Library (OPL/LAC), Exemplar Site (Site 8), City of Ottawa. Turner & Townsend, November 21, 2016.
- Document 11** Soft Cost Assumptions Ottawa Public Library OPL and OPL/LAC, Exemplar Site (Site 8), City of Ottawa. Turner & Townsend, November 21, 2016.
- Document 12** Ottawa Central Library Project Cost Estimates: OPL-LAC Joint Facility and OPL Stand-alone Facility, December 2016.
- Document 13** Ottawa Public Library – New Ottawa Central Library Master Program. Resource Planning Group Ltd, December 2016.
- Document 14** Report for Class D Construction Cost Estimate, Ottawa Public Library (Library Only), Exemplar Site City of Ottawa. Turner & Townsend, November 21, 2016.

## DISPOSITION

It is recommended that, upon the Ottawa Public Library Board's approval of the Ottawa Central Library OPL-LAC Joint Facility, as recommended in this report, the Board direct staff to forward this report to Ottawa City Council for consideration on February 8, 2017.

Subject to Council approval, and pending confirmation by the Government of Canada regarding the partnership, staff will implement the recommendations as outlined in the report. The Chief Executive Officer, OPL will work with the City Manager to ensure status updates on the project are provided to the Board and Council as warranted and outlined in this report.

If the OPL-LAC Joint Facility is not approved by the Board and Council, or by the Government of Canada, staff will prepare a Board report including recommendations on site, project delivery, and project cost and funding for an OPL Stand-alone Project for Board and Council consideration.