

Report to / Rapport au:

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

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Submitted by / Soumis par:

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File Number: OPLB-2021-1001

SUBJECT: Ādisōke – Project Update and Funding Strategy

OBJET: Ādisōke – Avancement du projet et stratégie de financement

REPORT RECOMMENDATIONS

That the Ottawa Public Library Board:

- 1. Receive the Finance and Economic Development Committee report
Ādisōke Project Update and Procurement Tender Results (ACS2021-PIE-IS-
0006), attached as Document 1;**
- 2. Receive the funding strategy for Ādisōke, as outlined in this report and
Document 1;**
- 3. Approve, and recommend that City Council approve, a total of \$16 million
from the Library Reserve Fund, as further described in this report and
Document 1, as follows:**
 - a. A contribution of \$5 million, as previously approved by the Board on
March 9, 2021;**
 - b. An additional contribution of \$4 million; and,**

- c. An additional \$7 million for Furniture, Fixtures & Equipment (FF&E), and that a fundraising target of \$7 million be established to address that pressure; and,
- 4. Direct staff to provide twice-yearly updates on fundraising status beginning in 2022.

RECOMMANDATIONS DU RAPPORT

Que le conseil d'administration (C.A.) de la Bibliothèque publique d'Ottawa (BPO) :

1. prenne acte du rapport du Comité des finances et du développement économique sur l'avancement du projet Ādisōke et les résultats du processus d'appel d'offres (ACS2021-PIE-IS-0006) ci-joint en tant que document 1;
2. prenne acte de la stratégie de financement pour Ādisōke, telle que décrite dans le rapport et le document 1;
3. approuve, et recommande au Conseil municipal d'approuver, une somme de 16 millions de dollars provenant du fonds de réserve pour la Bibliothèque publique d'Ottawa, comme indiqué dans le rapport et le document 1, soit :
 - a. la contribution de cinq millions de dollars approuvée par le C.A. le 9 mars 2021;
 - b. une contribution supplémentaire de quatre millions de dollars;
 - c. un montant supplémentaire de sept millions de dollars pour le mobilier, les accessoires fixes et l'équipement (objectif de financement de sept millions de dollars pour diminuer la pression financière);
4. demande au personnel de présenter deux rapports par année sur l'avancement de la collecte de fonds à compter de 2022.

BACKGROUND

In keeping with the Public Libraries Act, RSO 1990, c.P.44 (the Act), other relevant statutes, laws, and good governance practices, the Ottawa Public Library (OPL) Board (the “Board”) holds accountability for the full range of decisions affecting the organization.

As per Ottawa Public Library (OPL) Board policy #002 – Delegation of Authority, the Board is responsible for approving and recommending annual budget estimates to City Council, receiving capital forecasts, and approving the Development Charges (DC) project listing.

The *Public Libraries Act* is silent about reserve funds, and while it is common practice for municipalities to establish and hold reserve funds for the library, library boards have authority to establish reserve funds under the *Municipal Act*. Given the financial relationship and shared services with the City, By-Law No. 2019-205 (reflecting revisions) establishes the Ottawa Library Reserve Fund for Ottawa Public Library. According to the by-law, the fund is established to “...provide funding support for the Ottawa Public Library and to assist the Board’s long-term planning and resource requirements.” The complete Ottawa Library Reserve Fund By-Law is attached as Document 2.

On June 9, 2015, the Board approved a new build Ottawa Central Library with approximately 132,000 square feet of space, located in the Central Area of the City as defined in the Official Plan, recognizing that revitalizing the Main branch would not ensure future flexibility of the space to suit program requirements. The Board also approved that \$800,000 from an existing capital budget (Main Library Modernization) be used to advance planning for the Central Library. Additional planning funds were added through the OPL budget process in subsequent years (2016 and 2017) for a total of \$7.165 million.

In March 2016, the Board approved concurrent planning processes for both an OPL Stand-alone facility and a Joint Facility through a potential partnership with Library and Archives Canada.

On January 31 and February 8, 2017 respectively, the Board and City Council approved the Central Library Development: Ottawa Public Library-Library and Archives Canada (LAC) Joint Project report (OPLB-2017-0101/ACS2017-OCC-Ottawa Public Library-

0001). This report established that a new, modern Central Library will be located at 555 Albert, and constructed as a design-bid-build facility in partnership with Library and Archives Canada, subject to Government of Canada and City Council approvals and funding.

On June 8, 2018 the Board approved the Implementation Plan for the Ottawa Public Library and Library and Archives Canada Joint Facility report (OPLB-2018-0601). This report recognized OPL's participation in the partnership for the OPL – LAC Joint Facility and delegated authority to the Chief Executive Officer (CEO) of OPL to negotiate, finalize and execute the Governance Agreement on behalf of the Board. Through the report, the Board also approved the following elements of the overall funding strategy: the contribution of \$1 million to the OPL/City's share of the project from the Library Reserve Fund, and that the property at 120 Metcalfe Street / 191 Laurier Avenue West be declared as surplus to OPL requirements for the purpose of land disposition.

On June 13, 2018, Council approved the Implementation Plan for the Ottawa Public Library and Library and Archives Canada Joint Facility report (ACS2018-PIE-IS-0007). This report recognized the City's participation in the partnership for the OPL – LAC Joint Facility and established the authority to proceed with procuring the project with a budget of \$174.8 million for the facility. The cost-sharing arrangement provided for a \$71 million contribution from LAC, reflecting their 39 per cent share, with the remaining \$104 million to be funded by the City and OPL. An additional \$18 million for a parking garage, to be solely owned by the City (cost neutral based on estimated revenues), was also approved.

Based on these authorities, in 2018 the City issued an international competitive process for an architectural firm to design the project. The request for proposal clearly outlined the partners' expectations that the project would have extensive public and Indigenous engagement and the building be of iconic architectural significance befitting a G7 capital city. The result of the competitive process was the award of the design contract to Diamond Schmitt Architects in joint venture with KWC Architects.

The project partners established a Governance Agreement in December 2018, binding the partners to project objectives and funding obligations. The Agreement also established the City of Ottawa as the Project Authority to manage and oversee the project implementation for all parties.

Public & Indigenous Engagement

Working in collaboration with the architecture firms, the project partners set out to undertake the most comprehensive public consultation in OPL's history. This resulted in a collaboratively designed facility that incorporates the shared and unique values of the partners, as well as the needs and desires of the community who will use and benefit from the facility.

The objective of public engagement was to ensure that all stakeholders were consulted in a meaningful way, and that a broad spectrum of input was collected to inform the vision for this new, iconic modern facility. Workshops were held to gather information on topics such as site and building context, exterior and interior materials, public art, the relationship between OPL and LAC spaces, landscape design and iconic features. The workshops were iterative in nature, wherein feedback from previous sessions was reviewed to demonstrate how feedback had been incorporated into the design process.

Since 2015, more than 7,000 people have provided valuable input that has helped inform and inspire all aspects of the Joint Facility, both inside and out. Residents from Ottawa and across Canada, including individuals of many diverse backgrounds and local Anishinābe Algonquin communities and Indigenous organizations, provided inspiration and feedback on the facility design and programming.

Public input has helped to ensure design excellence that meets and exceeds community and national expectations. The project team heard the following recommendations: that the building be constructed from locally sourced and sustainable materials, that the design should blend into the natural escarpment and surrounding environment, that the space be inclusive and welcoming for everyone, that the culture of Indigenous Peoples be respectfully and honestly showcased as an important step towards reconciliation, that programming should be reflective of the community's needs, and many more valuable insights.

Indigenous engagement was also successfully held both locally and nationally; it was significant in scale and unprecedented in OPL's history, resulting in a building that will reflect Anishinābe Algonquin and Indigenous design influences throughout. Preliminary meetings between the project team and the Algonquins of Pikwakanagan and Kitigan Zibi Anishinabeg First Nations focused on building relationships and trust. These discussions were focused on learning from Indigenous knowledge and history. Again,

what the project team heard has influenced the design: the building will reflect the natural environment through design concepts of water, stone, and wood. The curvature of the roof will represent the flow of the Ottawa River, the facility will include a large central gathering space and the building will be made of sustainable materials.

The partnership that resulted from engagement with local Anishinābe Algonquin communities not only led to significant design inspiration, but a commitment that the facility would be home to ongoing engagement and collaboration between Ottawa Public Library, Library and Archives Canada and Anishinābe Algonquin People.

Design

As noted above, feedback from public and Indigenous engagement sessions helped shape the final design. The facility will be more than just a place for books, archives, and quiet research; it will be a place to meet, host events and learn new skills. It is expected that more than 5000 visitors a day will pass through the facility. Visitors of all ages and backgrounds will be able to enjoy the many innovative spaces, such as library and reference spaces (including genealogy and archives), outdoor event spaces (gathering circle, amphitheater, stage), retail (gift shop, café and restaurant), indoor event spaces (civic reception, multipurpose auditorium, black box theater) and many more innovative spaces within (gallery, creative center, recording studio).

The project team has worked with the architects to ensure that the guidance provided in the City of Ottawa's Bird Friendly Design Guidelines are followed. Exterior glass will include a frit pattern, which will help reduce glare, cut cooling costs, and reduce the risk of bird collisions. It will also give the exterior a distinctive look with patterns that will be created as part of the Indigenous art call.

As noted above, many suggestions from Anishinābe Algonquin project partners have influenced the design. The east entrance to the facility on Albert Street will acknowledge that the building sits on the unceded and ancestral territory of the Anishinābe Algonquin people. Oral history listening stations will include stories and teachings of Anishinābe Algonquin and Indigenous oral traditions. All wayfinding signs within the facility will be in Anishinābemowin, English and French. The children's area will have a wigwam-inspired storytelling area, and an Indigenous area will have a terrace and wigwam-inspired circular meeting room for gatherings.

Universal accessibility is an important goal in the building design. Through the application of stringent universal design standards, the goal is to be one of the most accessible buildings in the National Capital Region. The project team has worked with an independent third-party accessibility consultant throughout the design process. Furthermore, the project team has presented to the City's Accessibility Advisory Committee (AAC) to discuss key accessibility features, and OPL has engaged with individuals living with a variety of disabilities to obtain direct feedback and suggestions on accessible design, programs, and services for the facility. Universal and all gender washrooms, an increase in the number of automatic door openers, added accessible outdoor seating, intuitive wayfinding within the central gathering space, accessible parking, gently sloped ramps, areas of refuge, and sensory rooms are just some of the elements that have been included in the design to make visiting the facility a positive experience for all.

The project team is looking at how services, programs and user-experience of the facility can make it a welcoming and inclusive space open to all members of the community. The project team will continue to engage with community stakeholders to get input on how the user-experience can be made as welcoming as possible to everyone. An application for Rick Hansen Accessibility certification is also underway.

The building has been designed to complement and coexist with the natural environment. It will include triple-glazed windows, solar panels on the rooftop and embedded in the façade, an indoor green wall, additional sustainable materials and many upgrades to the building's envelope and insulation to achieve LEED Gold and Net Zero Carbon status.

This design received approval from the National Capital Commission (NCC) Board of Directors and the project's Executive Steering Committee (ESC), and was endorsed by the Board on April 13, 2021 via motion (OPL 20210413/8), introduced by Trustee Riley Brockington and subsequently carried. The community has been overwhelmingly positive and appreciative that feedback provided through the consultations was incorporated into the final design. Extensive media coverage of the final design has been full of positive reviews by local, national, and architectural outlets.

Naming

During discussions with the Anishinābe Algonquin Host Nation, the giving of a name for the Joint Facility was offered. After considering the naming policies of the two organizations, the Executive Steering Committee gratefully accepted the name Ādisōke (AH-di-So-kay) for the name of the facility, as announced at an event held on August 5, 2021 and attended by representatives and Elders from Pikwakanagan and Kitigan Zibi Host Nations along with various dignitaries, project and client representatives.

Ādisōke is an Anishinābemowin word that refers to the telling of stories. Storytelling is the traditional means by which Indigenous peoples share knowledge, culture, and history over generations. Ādisōke is a meaningful and fitting name for the Joint Facility, as storytelling represents the coming together of knowledge, history, discovery, culture, creativity, collaboration, and connections. Ādisōke also evokes what is at the heart of the partner institutions: Library and Archives Canada as a keeper of Canadian and Indigenous stories, and Ottawa Public Library's use of stories to build community and transform lives by inspiring learning, sparking curiosity, and connecting people.

Procurement Model

Ādisōke was tendered via a design-bid-build stipulated sum (fixed price) procurement model, which is the City's standard form of tender/contract for facility construction.

Given the size and complexity of the project, the construction of the facility was procured in a four-stage procurement process:

Stage 1: Request for Pre-Qualification (RFQ): Issued to the pre-qualifying General Contractors against a set of rated objectives (July 2020, resulting in the pre-qualification of the following three General Contractors (in alphabetical order): EllisDon, PCL Construction, and Pomerleau.

Stage 2: Request for Tender (RFT) for Early Works Packages: Included shoring, excavation, and site remediation work (awarded to PCL Construction in October 2020 and completed in May 2021)

Stage 3: Industry Engagement: Two engagement sessions with each of the pre-qualified respondents and any of their chosen industry partners (Summer 2020 & Winter 2021)

Stage 4: Request for Tender (RFT) for Facility Construction: An RFT was issued to the pre-qualified respondents, seeking a firm price for the construction of the Ādisōke Facility (May 17, 2021).

The purpose of this report is to provide the Board with an update on tender bid results and schedule, and to seek approval for the financial strategy to address OPL's share of the building cost.

DISCUSSION

Project Cost Estimates

Initial Budget Development

The initial project cost estimate, developed in 2016, was based on an indicative design (not informed by public input), and assumed a 10% escalation to Q1 2019 (initial estimate of construction commencement). The direction from the Board and City Council was to design an iconic piece of architecture on a landmark site with significant public consultation.

In 2018, City Council approved a facility budget of \$174.8 million (not including parking) to be shared between the City and Library and Archives Canada (LAC). 61% of space and financial contribution would be paid for by the City/OPL and 39% space and financial contribution from LAC. The 200-space City-run public parking garage was included on an operating-revenue cost-recovery model.

The approved funding strategy was developed by first determining all known and confirmed funding sources, and then identifying the portion of the City and OPL shares that would need to be debt financed once those sources were deducted. This requirement was assessed against the affordability of that additional debt in consideration of the City's overall capital plan.

The funding sources approved by City Council for application to Ādisōke were as follows:

- Sale of land - \$20 million (\$10 million from OPL, \$10 million from the City)
- OPL Reserves - \$1 million
- Development Charges (DC) - the 2014 Development Charges Background Study had identified \$3.24 million in eligible growth-related costs to build an

additional 10,000 square feet onto the existing Central Library, providing \$3.24 million in development charge revenues for the Facility.

- Debt financing – with the above offsets, the estimated debt funding requirement for the City/OPL portion of the building was identified as \$80 million, with annual debt servicing costs (principal plus interest) to be fully covered by the elimination of the City's Vacancy Rebate Program.

In the June 13, 2018 report to Council, staff noted that there would be an update to the Development Charges Background Study in 2019. The initial development charge associated with the new Central Library had been calculated on an addition of 10,000 square feet to the existing building. The revised plans estimate 133,000 for the new facility compared to 90,000 for the existing facility, a difference of 43,000 square feet. Therefore, the 2019 background study considered the addition of 33,000 square feet that was not previously included. As a result, the funding strategy was revised to reflect the 25% growth in the building footprint and to better capitalize on the availability of development charge funding, with a split of \$63.2 million of City tax debt and \$20 million of Library DC Debt (City-wide).

Table 1 – Initial funding strategy for City / OPL Share of the Building

City/OPL Share of Building	2018 Budget	2019 Update
Proceeds from Sale of Land	\$20 million	\$20 million
OPL Reserves	\$1 million	\$1 million
Development Charges	\$3 million	-
Library DC Debt	-	\$20 million
Tax Debt	\$80 million	\$63 million
	\$104 million	\$104 million

Value Engineering

Through the design process, the project team undertook a series of comprehensive Value Engineering exercises and made significant design changes to generate savings. These savings are estimated at approximately \$100 million and include architectural design efficiencies, material substitutions, millwork, and fixture modifications, etc. Throughout these Value Engineering exercises, it was considered critical to maintain the building's approved program requirements and core building architectural aesthetic, as this has been informed by public and Indigenous engagement.

Tender Bid Results

In advance of the release of the Request for Tender, Pomerleau withdrew from participating in the tender.

On September 9, 2021, the tender period closed, and bids were received from the two remaining pre-qualified General Contractors, EllisDon and PCL Construction. These bids included the fixed price proposed for the facility.

The low-price bid from PCL Construction results in an increase of \$64 million to the OPL/City costs of the building, from \$104 million to \$168 million (not including parking and retail fit-up costs, which are recoverable through revenue, or City's capital budget transfer).

Table 2 – Project Cost Estimate vs. Actual Cost

	2016 Estimate / 2018 Budget	Actual Cost	Pressure
OPL	\$31 million	\$59 million	\$28 million
City	\$73 million	\$109 million	\$36 million
Subtotal (OPL / City)	\$104 million	\$168 million	\$64 million
LAC	\$71 million	\$136 million*	\$65 million
Parking	\$18 million	\$28 million**	\$10 million

Retail Fit-up	-	\$1 million***	\$1 million
City budget transfer (Albert/Slater)		\$1 million	\$1 million
Total	\$193 million	\$334 million	\$141 million

*LAC has secured the funding for its share of costs, which includes the \$20 million Net Zero Carbon contribution from the federal government

**Parking costs repaid through revenues

***Retail fit-up costs repaid through revenues

The difference between actual costs and the initial estimate can be directly attributed to escalation in the Ottawa construction market. The initial estimate, developed in 2016, included a 10% escalation contingency. However, actual observed construction inflation in Ottawa, as outlined by Statistics Canada and estimated to early 2023 (mid-point construction) to account for contractor contingencies and the timing of sub-trade and material delivery, is currently more than 65%, which has been confirmed by a third-party quantity surveyor. The 55% difference in anticipated inflation versus actual is the cause of the variance between the original project estimate and the actual project cost.

Canada is experiencing a significant increase in construction costs due to COVID-19 impacts. A combination of material shortages and commodity escalation, supply chain slowdowns and pressures, labour implications and a superheated construction market, have all been described by the Ottawa Construction Association (OCA) and observed in recent City tenders. Specifically, the OCA has confirmed their experiences with several supply issues:

- Increases in prices by 10-40% for steel, sheet metal and several other commodities
- Difficulty obtaining some materials, causing schedule delays
- Shortage of skilled labourers in many sectors
- Significant cost increases for insurance policy renewals

In Ottawa, this is particularly acute as the General Contractor market for a project of this size and complexity is limited. This is exacerbated by the number of other large-scale projects underway in Ottawa (for example, the Parliament Hill renovations and Stage 2 LRT).

Cost of Ādisōke Relative to Comparative Projects

To further validate Ādisōke costs, the project team undertook a comparison of similarly constructed major cultural facilities and compared it to Ādisōke, using unit rate construction costs for 2016 and 2023.

As demonstrated below, Ādisōke remains in the middle-low end of cost per square foot relative to similar facilities. It should be noted that this positive relative position is maintained while having the highest Environmental Target with a Net Zero Carbon status.

Table 3 - Ādisōke cost relative to similar facilities

Facility	\$ / sq. ft Q2 2023 ⁽¹⁾⁽²⁾	Environmental Target
Winnipeg Human Rights Museum	\$2204	LEED Gold
National Music Centre, Calgary	\$1252	LEED Silver
Vancouver Art Gallery	\$1250	LEED Gold
EEEL, University of Calgary	\$1092	LEED Platinum
Calgary Central Library	\$1053	LEED Gold
Taylor Family Library, University of Calgary	\$991	LEED Gold
Surrey Library, Vancouver	\$884	LEED Gold
The Sheldon & Tracy Levy Student Learning Centre, Toronto	\$864	LEED Gold
Ādisōke	\$822	LEED Gold + Net Zero Carbon
Grande Bibliothèque, Montreal	\$800	-

Remai Modern, Saskatoon	\$769	LEED Silver
Halifax Central Library, Halifax	\$679	LEED Gold

(1) Location adjusted to Ottawa-Gatineau Area

(2) Rate based on Statistics Canada CPI from Q2 2016 - Q2 2021, Projections by Turner Townsend

Funding Strategy

As noted above, the OPL / City share of the building project costs have increased by \$64 million, from \$104 million to \$168 million (not including parking or retail fit-up costs, which are recoverable through revenue).

As the vision for Ādisōke, the location, and the partnership have already been approved by the Board, most of the approvals reside within the governance of City Council in its role as primary funder and project manager (via City staff), with the Board having the specific approvals as outlined in previous reports and reiterated in this report.

The full recommended financial strategy is attached as Document 1, and the OPL contribution is divided into two segments: Development Charge funding and Library Reserves funding.

Further to previous amounts noted, an additional \$12 million in Library City-Wide Development Charges will be used towards the project, with debt servicing payments beginning in 2026. This additional debt authority request will be offset by extending the term of the debenture issuance to 40 years (from the previously identified 20 years). In conjunction with lower projected borrowing rates, this will allow the City to maintain the current annual development charge servicing component at the forecasted total while still recovering the total eligible growth-related budget authority within the 2019 funding envelope, thus not requiring an amendment to the by-law. Therefore, this change has no effect on existing OPL DC listings, which will be updated in the 2024 background study to reflect the new 10-year planning horizon of 2025-2034.

Document 1 also identifies a total of \$16 million to be funded via the Library Reserve Fund. To meet this expectation, staff recommend that the Board approve an OPL funding strategy comprised of three components:

- a) A contribution of \$5 million from the Library Reserve Fund (“Reserves”), as previously approved by the Board on March 9, 2021;

- b) A contribution of \$4 million from Reserves in 2022; and,
- c) An additional \$7 million from Reserves for Furniture, Fixtures & Equipment (FF&E), to be paid out over two years (2024 and 2025), and that a fundraising target be established and achieved over a four-year period to address that pressure.

OPL's current reserve balance (as of September 23, 2021) is \$9.95 million, including the \$5M approved for transfer to the Project by the Board on March 9, 2021 as referenced in (a) above and anticipated to occur in November 2021. Based on current forecasts of the 2021 operating budget, staff anticipate the total reserve amount in 2022 to be approximately \$10M. Despite the current known / anticipated pressures on the Reserve, staff are confident that an additional allocation of \$4M from the Reserves in 2022 is feasible. This funding will be used to reduce the amount of debt to be borne by the taxpayer via debt funding.

Typically, project costs include funding for planning, design, construction, site costs, applicable taxes, and FF&E. Based on the services to be delivered at Ādisōke, the total FF&E budget for OPL components is approximately \$11 million. The recommended funding strategy calls for OPL to achieve a \$7 million offset for Furniture, Fixtures and Equipment, further reducing the requirement for debt funding. To achieve this offset, \$7 million will be allocated from OPL Reserves to be paid out over two years (2024 and 2025). To reduce this pressure, \$7 million has been identified in the OPL Fundraising campaign to be secured through targeted efforts between now and 2025.

To mitigate the risk associated with the fundraising target, a four-year distributed capital plan will be forecasted in OPL's financial planning. As part of the capital plan presented with the annual budget, staff will allocate funding of up to \$3.5M over the 2022 – 2025 period to Reserves to ensure the organization can address any shortfalls in fundraising. On an annual basis staff will bring forward recommendations to the Board to have the funding allocated to Ādisōke FF&E, should it be required. Should the funding not be required for FF&E, the funds will be available for other Board-recommended and Council-approved uses.

Recognizing that the funding strategy involves both short- and long-term commitments, staff will provide the Board with regular updates on the status.

Table 4 – Updated funding strategy

	Previous Funding Plan	Updated Funding Plan	Delta
OPL Share:			
Proceeds from Sale of Land	\$10 million	\$10 million	-
Library Reserve Fund	\$1 million	\$17 million*	\$16 million
Library DC Debt	\$20 million	\$32 million	\$12 million
Total OPL Share	\$31 million	\$59 million	\$28 million
City Share:			
Proceeds from Sale of Land	\$10 million	\$10 million	-
Tax Debt	\$63 million	\$99 million	\$36 million
Total City Share	\$73 million	\$109 million	\$36 million
Total (OPL + City)	\$104 million	\$168 million	\$64 million

*Includes \$5 million transfer from Reserves as approved by the Board in March 2021.

Implications of Not Proceeding

The project team has reviewed the options and implications if additional funds requested are not secured.

Not proceeding with the project would mean one of the following options would need to be considered:

- Cancel the current tender, re-design, and re-issue tender at a future date; or,
- Cancel the project altogether and explore alternative options for a Central Library

Both options involve considerable delay and inflationary costs, in addition to reputational damage and risk to the relationships developed with the Anishinābe Algonquin Host Nation.

In addition, as referenced above the Main Library building has been sold with the proceeds from the sale already allocated to the project. OPL is currently leasing the space at 120 Metcalfe / 191 Laurier. The lease can be extended through 2026 at no additional cost to OPL, and through 2027 at a cost of \$2.7 million. Beyond 2027, a new lease would need to be negotiated, or OPL would need to find a new home for the Main branch, which would require a new business case and would incur significant design and/or fit-up costs, in addition to new purchase or lease costs.

It should further be noted that the partners have expended approximately \$30 million to date on designing, managing, and initiating preparatory construction works for the projects. In all scenarios of not proceeding, a significant portion of those funds are not recoverable.

Moreover, the City and OPL have a legal agreement (the Governance Agreement) with LAC to develop and implement Ādisōke. Both Default and Non-Default Termination provisions are included in the Governance Agreement, and each of these reflects the long-term commitment that the project represents by requiring the payment of compensation to either the non-defaulting or non-terminating parties for the funds expended on the project to the date of termination, as well as the reasonable costs incurred to restructure the project after the termination.

It would be reasonable to conclude that neither of the two options identified above would result in savings to the City/OPL. In fact, the option to pursue a standalone facility for the replacement of the Main Library building would end up costing more, given that the business case for the Central Library project identified an \$11M savings (in 2016 dollars) through the partnership with LAC, compared to a standalone option.

Project Schedule

The initial project schedule anticipated an Official Opening in 2025. The project team has undergone an extensive engagement process with the General Contractors to determine the most financially efficient and realistic construction schedule given the implication of COVID-19 on labour and material supply. Consequently, the project schedule has been modified to have the official opening in mid-2026. As the existing

lease for the Main branch at 120 Metcalfe can be extended without penalty to the end of 2026, the project team does not anticipate any implications to the schedule change.

CONSULTATION

Public consultation has been a priority of the Ādisōke project since the beginning of the project. The public has had the opportunity to be involved in each step of development. Since 2015, more than 7,000 members of the public provided feedback on the project through formal consultation opportunities, using a variety of methods, including public meetings and electronic information gathering.

The public will be kept informed through the construction period, using best practices from other large-scale City projects.

ACCESSIBILITY IMPACTS

Ottawa Public Library supports and considers the Accessibility for Ontarians with Disabilities Act, (2005) in its operations. There are no associated accessibility impacts with this report.

BOARD PRIORITIES

In May 2012, the Board identified the Main Library as its highest facilities renewal priority. This priority was confirmed in November 2012 with Board approval of investigation of potential for modernizing the existing facility and again in July 2014 with direction to investigate the potential of a full 130,000 square foot program requirement for a new build on a new site.

Central Library Development was an approved 2015-2018 strategic priority for both the OPL Board and Ottawa City Council.

In June 2019, the Board approved a 2020-2023 Strategic Plan, which included “Create the destination experience for the Ottawa Central Library” as a key component of “Redesign the Library Experience.”

BUSINESS ANALYSIS IMPLICATIONS

There are no business analysis implications associated with this report.

FINANCIAL IMPLICATIONS

Financial implications have been identified in the 'Funding Strategy' segment of the Discussion section above.

LEGAL IMPLICATIONS

Legal implications of not proceeding have been referenced in the 'Implications of Not Proceeding' segment of the Discussion section above.

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.

TECHNOLOGY IMPLICATIONS

There are no technology implications associated with this report.

SUPPORTING DOCUMENTATION

Document 1 Finance and Economic Development Committee report Ādisōke Project Update and Procurement Tender Results (ACS2021-PIE-IS-0006).

Document 2 By-Law No. 2019-205 (Ottawa Library Reserve Fund)

DISPOSITION

With Board approval, staff will implement the recommendations of this report, including any actions directed by the Board.