



TO: Chair and Members of the Board of Health

FROM: Christopher Mackie, Medical Officer of Health / CEO

DATE: 2018 October 18

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## LOCATION PROJECT – DEMOLITION DECISIONS

### ***Recommendation***

*That the Relocation Advisory Committee recommends to the Board of Health:*

- 1) Receive Report No. 001-18RAC, re: “Location Project –Demolition Decisions” for information;*
- 2) Approve extension of the elevator to the basement and replacement of the existing carpeting at Citi Plaza; and*
- 3) Direct staff to pursue all reasonable options to mitigate these costs.*

### **Key Points**

- The Middlesex-London Health Unit (MLHU) worked with the architect, project management consultant and landlord to investigate options to mitigate costing associated with these demolition requests.
- The approximate cost to extend the elevator is \$100,000 and the cost of replacing the carpet is approximately \$220,000. MLHU staff have verified initial costing, and are examining options to mitigate costs.
- The postponement of these items will increase costs to MLHU in the future.

### **Background**

The lease agreement signed on May 28<sup>th</sup> between the MLHU and I.F. Propco Holdings clearly identifies landlord and tenant responsibilities. Schedule C-1 of the lease addresses the initial landlord work under the categories of Architectural, Mechanical, Elevator and Electrical. This information is detailed in [Appendix A](#) attached. Subsequently, the landlord has issued a tender to facilitate teardown activities. I.F. Propco Holdings has requested direction from MLHU on the status of the elevator extension and carpet removal to close out their tender process.

### **Elevator Extension**

The provisions of the lease include the extension of an elevator from the second floor to the first floor. However, MLHU was able to secure 3,264 square feet of bonus space in the basement to which there is no direct accessibility to an elevator. It is intended that this space will be utilized for file and resource storage for which there is significant traffic from staff working in the community. While this space is ideally located next to a dedicated loading ramp for deliveries and pick up of materials, the only other access into this area currently is an aged conveyor belt and stairs which are non-compliant with modern building code.

In addition to being aged and likely requiring constant mechanical servicing, the conveyer belt is considered unable to meet the needs of staff bringing resources in and out of the building. Both the belt and the stairs represent a workplace safety risk to employees, and it is recommended that both are demolished and that a new set of compliant stairs be installed. Photos of the conveyor belt are contained in [Appendix B](#). A secondary tenant freight elevator is available approximately 100 feet away in the underground, however

utilizing this elevator would significantly reduce staff efficiency and productivity, as it would require staff to transport materials 100 feet through the underground and 100 feet through the mall and outside of the MLHU designated space each time they were taking materials or resources to or from the basement.

MLHU's lease provision allows for an extension of the existing elevator into the basement. MLHU is responsible for the costs of this extension. The estimated cost is approximately \$100,000 which was validated by both the architect and the project management consultant. The material costs for elevator parts are estimated to be between \$15,000 and \$20,000, and the remaining costs would include the concrete, electrical and mechanical work. The replacement cost for the stairs is unknown at this time but will be reviewed by the project manager and architect for quotation.

The elevator parts will take six to eight months to acquire. Several of the construction components will be delayed until the completion of this project, which makes the elevator decision somewhat urgent. By extending and building a dedicated elevator, MLHU will provide an accessible means to reach the basement storage and the loading dock for all MLHU employees. Safety would also be improved as the proximity of the elevator is directly across the hall from the storage space. Efficiencies will be achieved as we limit additional handling and direct delivery.

### **Carpet Removal**

In addition to being mismatched between various rooms, the current carpeting is over 10 years old and is out of production. High-traffic areas and areas where the carpeting was covered by file cabinets or shelves are showing significant discolouration, and wear as is evidenced by the pictures in [Appendix C](#). Efforts were made by the City of London to professionally clean the same carpet in their space but they were unsuccessful. The carpet has been cut in numerous places throughout the floor to accommodate cable routing, which will change with our floor plans.

Initial estimates for mid-grade commercial carpeting were confirmed at \$6 per square foot installed. While attempts will be made to salvage existing carpeting where and if feasible, the maximum cost to replace the second floor carpet would be \$218, 514. The life expectancy of the new carpeting would be approximately 15-20 years. As the landlord is currently responsible for the tear down and removal of the existing carpeting and there is no furniture to be moved to lay the carpet, the current quoted replacement cost is significantly lower than postponing the decision until after MLHU moves in.

Staff will explore further whether there are any opportunities to keep a portion of the existing flooring, or to identify more cost-effective carpeting options.

### **Next Steps**

MLHU staff will confirm the decisions with respect to the carpeting and elevator to Avison Young who is awaiting MLHU's response in order to continue with defining the scope of work for their selected demolition firm.

This report was prepared by the Healthy Organization Division.



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