



AGENDA
Special Council
Township of Zorra
274620 27th Line
May 10, 2022 at 9:00 AM

Due to COVID-19 physical distancing requirements, and to help prevent the spread of the virus, the format for Council meetings has changed. Meetings are once again being held in person, however, limited seating is available in the Council Chambers. The public is invited to view our meetings via live stream at:

https://www.youtube.com/channel/UCceQkQTakEgGU4PYRUT_C7g

1 CALL TO ORDER

2 ADOPTION OF AGENDA

3 DECLARATION OF PECUNIARY INTEREST

4 PUBLIC COMMENT PERIOD

5 REPORTS FROM STAFF

5.1 Corporate Services Department

- (a) Report 2022-095 from the Chief Administrative Officer regarding the proposed Zorra Municipal Centre project.

[2022-095 - Proposed Zorra Municipal Centre Project - Pdf](#)

6 NOTICES OF MOTION

7 CONFIRMATORY BY-LAW

34-22 Confirmatory By-law

[34-22 May 10 Confirmatory](#)

8 ADJOURNMENT



Submitted by: Don MacLeod, Chief Administrative Officer

Report No: 2022-095

Council Meeting Date: Special Council - 10 May 2022

Subject: Proposed Zorra Municipal Centre Project

File: Facilities Construction and Renovations

BACKGROUND & COMMENTS:

Township Council passed the following resolution at the April 20, 2022, regular Council meeting.

THAT report #2022-069 from the CAO regarding the Zorra Municipal Centre project be received and filed;

AND THAT staff prepare a report for the May 4, 2022 Council meeting that:

- 1. Clearly defines the renovation costs for each floor of the technical service building and the intended usage of each floor.**
- 2. Lays out potential revenue from unallocated rental space (i.e. warehouse or office).**
- 3. Include potential renovation costs beyond the \$5,600,000 included in report #2022-069 needed to meet the requirements of potential tenants, in the capital budget for the project.**
- 4. Includes the potential revenues and expenses for unallocated rental space in a series of 30-year life cycle operating budgets.**
- 5. Clarifies the space requirements for storage of Recreation Department**

During preparation of this report, Township staff engaged Kingwood Homes in discussions regarding redevelopment of the Technical Services Building for municipal purposes. In addition, the concept of the Township obtaining a parcel of land on Brock Street for a greenfield build in exchange for the Technical Services Building and surrounding land was also again discussed.

During the ongoing discussions with Kingwood, they were requested to provide an estimate for constructing the Municipal Office and child care facility. Kingwood has advised the Township they would be willing to construct a 23,000 +/- sq. ft building for approximately \$4.7 million (\$204/sq. ft.). This would include site work, parking lot and base finishes. Zorra would be responsible for furnishings, solar panels and a small contingency. As part of this proposal, Zorra would transfer the Technical Services Building property to Kingwood after the building was demolished. Zorra's estimated cost for demolition would be \$468,000.

This price is far less than the estimates Zorra has obtained from independent contractors as well as those obtained by SPH Engineering. East Zorra-Tavistock's construction estimate provided by their architect for a new Municipal Office in Hickson is approximately \$400/sq. ft.

The following table indicates proposed costs:

The Corporation of the Township of Zorra

P.O. Box 306, Ingersoll, Ontario N5C 3K5

Tel. (519) 485-2490 • Toll Free 1-888-699-3868 • Fax (519) 485-2520 • E-mail: admin@zorra.ca

Component	New Build
Building Cost	\$4,717,000
Demolition	\$468,000
Solar Panels	\$350,000
Furnishings	\$150,000
Contingency	\$250,000
Total	\$5,960,000

Total Available Revenue \$5,700,000

Shortfall \$260,000

The construction shortfall would hopefully be relatively minor and could either be funded from the Tax Stabilization Reserve or borrowed internally. The 30-year life cycle costing for this proposal is attached.

This option is being brought forward for Council's discussion rather than addressing those points in the Council resolution for financial considerations. The opportunity for a new build at a cost less than renovations should be discussed by Council prior to fulfilling exploration of the items in the resolution.

In order for transparency, the municipality has a duty and obligation to ensure a fair process is followed. The proposal outlined above has two distinct components; purchase and sale of land and procurement of a municipal facility.

Purchase and Sale of Land

With respect to a potential sale of the Technical Services property, options are very limited as the site does not have access to an open municipal road and the property is landlocked. The residual value of the site would be minimal due to the access issue. The Sale of Land Policy does permit Council to sell land other than by sealed tender or by real estate on such terms as Council deems appropriate and in the best interests of the Township. Given the potential for the Township to receive comparable lands, the public it is reasonable to suggest the exchange of lands is in the best interests of the Township.

Zorra Municipal Centre Construction

The Township's Purchasing Policy does permit Council to grant exemptions from the policy where there is benefit to the municipality. In this instance, it does appear there is a benefit given the competitive pricing of the proposal. However, it would not be transparent for the Township to accept an offer for a project with a value of almost \$5 million.

Rather than going to market with a tender or RFP, the Township could issue an Expression of Interest for contractors to enter into negotiations with the Township to construct a new Municipal Office/child care facility. This would see Zorra issue the EOI requesting qualified contractors that would be willing to construct the 23,000 sq. ft. building on Brock Street at an upset limit of \$5 million dollars. Once a contractor has been selected, a contract would be negotiated and Council would have final decision making at that time. In using this open and public process the Township will be able to meet its obligations to be open and transparent while ensuring value for taxpayers.

It is anticipated the EOI would close at the end of May and Council would be in a position to award a contract in early June provided satisfactory terms can be arrived at.

LINK TO STRATEGIC PLAN:

Goal:

We are an engaged community that values all members and actively encourages involvement, engagement, openness and transparency.

Goal:

We are a prosperous community that provides opportunities to work and shop in our community and to grow in a sustainable matter.

ATTACHMENTS:

[ZMC Lifecycle Costs](#)

Existing Municipal Office	2022	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Utilities	8,800.00	9,126.82	9,294.75	9,465.78	9,639.95	9,817.32	9,997.96	10,181.92	10,369.27	10,560.06	10,754.37	10,952.25	11,153.77
Cleaning	10,850.00	11,252.95	11,460.01	11,670.87	11,885.62	12,104.31	12,327.03	12,553.85	12,784.84	13,020.08	13,259.65	13,503.63	13,752.09
Maintenance	7,700.00	7,985.97	8,132.91	8,282.55	8,434.95	8,590.16	8,748.22	8,909.18	9,073.11	9,240.06	9,410.07	9,583.22	9,759.55
Major Capital								20,000.00		20,000.00			
Total	27,350.00	28,365.74	28,887.67	29,419.20	29,960.52	30,511.79	31,073.21	51,644.95	32,227.22	52,820.20	33,424.09	34,039.10	34,665.42
								HVAC Replacement		Roof Replacement			

ZMC Reno	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Utilities	25,460.00	25,928.46	26,405.55	26,891.41	27,386.21	27,890.12	28,403.30	28,925.92	29,458.15	30,000.18	30,552.19	31,114.35
Cleaning	15,276.00	15,557.08	15,843.33	16,134.85	16,431.73	16,734.07	17,041.98	17,355.55	17,674.89	18,000.11	18,331.31	18,668.61
Maintenance	11,202.40	11,408.52	11,618.44	11,832.22	12,049.93	12,271.65	12,497.45	12,727.40	12,961.59	13,200.08	13,442.96	13,690.31
Major Capital												
Transfer to Solar Reserve	16,294.40	16,594.22	16,899.55	17,210.50	17,527.18	17,849.68	18,178.11	18,512.59	18,853.22	19,200.12	19,553.40	19,913.18
Debt Repayment	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
Warehouse Rental	(101,840.00)	(103,713.86)	(105,622.19)	(107,565.64)	(109,544.85)	(111,560.47)	(113,613.18)	(115,703.67)	(117,832.61)	(120,000.74)	(122,208.75)	(124,457.39)
Child Care Revenue	(50,920.00)	(51,856.93)	(52,811.10)	(53,782.82)	(54,772.42)	(55,780.24)	(56,806.59)	(57,851.83)	(58,916.31)	(60,000.37)	(61,104.37)	(62,228.69)
Total	(54,527.20)	(56,082.50)	(57,666.42)	(59,279.48)	(60,922.22)	(62,595.19)	(64,298.94)	(66,034.04)	(67,801.07)	(69,600.61)	(71,433.26)	(73,299.63)

ZMC New	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Utilities	20,368.00	20,742.77	21,124.44	21,513.13	21,908.97	22,312.09	22,722.64	23,140.73	23,566.52	24,000.15	24,441.75	24,891.48
Cleaning	15,276.00	15,557.08	15,843.33	16,134.85	16,431.73	16,734.07	17,041.98	17,355.55	17,674.89	18,000.11	18,331.31	18,668.61
Maintenance	9,674.80	9,852.82	10,034.11	10,218.74	10,406.76	10,598.24	10,793.25	10,991.85	11,194.10	11,400.07	11,609.83	11,823.45
Major Capital												
Transfer to Solar Reserve	10,184.00	10,371.39	10,562.22	10,756.56	10,954.48	11,156.05	11,361.32	11,570.37	11,783.26	12,000.07	12,220.87	12,445.74
Child Care Revenue	(50,920.00)	(51,856.93)	(52,811.10)	(53,782.82)	(54,772.42)	(55,780.24)	(56,806.59)	(57,851.83)	(58,916.31)	(60,000.37)	(61,104.37)	(62,228.69)
Total	4,582.80	4,667.12	4,753.00	4,840.45	4,929.52	5,020.22	5,112.59	5,206.67	5,302.47	5,400.03	5,499.39	5,600.58

2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
11,359.00	11,568.01	11,780.86	11,997.63	12,218.38	12,443.20	12,672.16	12,905.32	13,142.78	13,384.61	13,630.88	13,881.69	14,137.12	14,397.24	14,662.15
14,005.13	14,262.83	14,525.26	14,792.53	15,064.71	15,341.90	15,624.19	15,911.68	16,204.45	16,502.61	16,806.26	17,115.50	17,430.42	17,751.14	18,077.76
9,939.13	10,122.01	10,308.25	10,497.92	10,691.08	10,887.80	11,088.14	11,292.16	11,499.93	11,711.53	11,927.02	12,146.48	12,369.98	12,597.58	12,829.38
35,303.26	35,952.84	36,614.37	37,288.08	37,974.18	38,672.90	39,384.48	40,109.16	40,847.17	41,598.75	42,364.17	43,143.67	43,937.51	44,745.96	45,569.29

2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
31,686.85	32,269.89	32,863.66	33,468.35	34,084.16	34,711.31	35,350.00	36,000.44	36,662.85	37,337.45	38,024.45	38,724.10	39,436.63	40,162.26	40,901.25
19,012.11	19,361.93	19,718.19	20,081.01	20,450.50	20,826.79	21,210.00	21,600.26	21,997.71	22,402.47	22,814.67	23,234.46	23,661.98	24,097.36	24,540.75
13,942.21	14,198.75	14,460.01	14,726.07	14,997.03	15,272.98	15,554.00	15,840.19	16,131.65	16,428.48	16,730.76	17,038.61	17,352.12	17,671.40	17,996.55
												200,000.00		
20,279.58	20,652.73	21,032.74	21,419.74	21,813.87	22,215.24	22,624.00	23,040.28	23,464.22	23,895.97	24,335.65	24,783.43	25,239.44	25,703.85	26,176.80
30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00		
(126,747.41)	(129,079.56)	(131,454.62)	(133,873.39)	(136,336.66)	(138,845.25)	(141,400.00)	(144,001.76)	(146,651.40)	(149,349.78)	(152,097.82)	(154,896.42)	(157,746.51)	(160,649.05)	(163,604.99)
(63,373.70)	(64,539.78)	(65,727.31)	(66,936.69)	(68,168.33)	(69,422.63)	(70,700.00)	(72,000.88)	(73,325.70)	(74,674.89)	(76,048.91)	(77,448.21)	(78,873.26)	(80,324.52)	(81,802.50)
(75,200.35)	(77,136.03)	(79,107.34)	(81,114.91)	(83,159.43)	(85,241.56)	(87,362.00)	(89,521.46)	(91,720.66)	(93,960.32)	(96,241.19)	(98,564.03)	69,070.39	(133,338.71)	(135,792.14)

HVAC Replacement

2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
25,349.48	25,815.91	26,290.92	26,774.68	27,267.33	27,769.05	28,280.00	28,800.35	29,330.28	29,869.96	30,419.56	30,979.28	31,549.30	32,129.81	32,721.00
19,012.11	19,361.93	19,718.19	20,081.01	20,450.50	20,826.79	21,210.00	21,600.26	21,997.71	22,402.47	22,814.67	23,234.46	23,661.98	24,097.36	24,540.75
12,041.00	12,262.56	12,488.19	12,717.97	12,951.98	13,190.30	13,433.00	13,680.17	13,931.88	14,188.23	14,449.29	14,715.16	14,985.92	15,261.66	15,542.47
												150,000.00		
12,674.74	12,907.96	13,145.46	13,387.34	13,633.67	13,884.53	14,140.00	14,400.18	14,665.14	14,934.98	15,209.78	15,489.64	15,774.65	16,064.90	16,360.50
(63,373.70)	(64,539.78)	(65,727.31)	(66,936.69)	(68,168.33)	(69,422.63)	(70,700.00)	(72,000.88)	(73,325.70)	(74,674.89)	(76,048.91)	(77,448.21)	(78,873.26)	(80,324.52)	(81,802.50)
5,703.63	5,808.58	5,915.46	6,024.30	6,135.15	6,248.04	6,363.00	6,480.08	6,599.31	6,720.74	6,844.40	6,970.34	157,098.59	7,229.21	7,362.22

HVAC Replacement

2051	2052	Total	Cost/Year
14,931.93	15,206.68	363,395.78	11,722.44
18,410.39	18,749.14	448,050.48	14,453.24
13,065.44	13,305.84	317,971.31	10,257.14
		40,000.00	1,290.32
46,407.77	47,261.67	1,169,417.57	37,723.15

2051	2052	Total	Cost/Year
41,653.83	42,420.26	989,173.58	32,972.45
24,992.30	25,452.16	593,504.15	19,783.47
18,327.69	18,664.91	435,236.38	14,507.88
		200,000.00	6,666.67
26,658.45	27,148.97	633,071.09	21,102.37
		750,000.00	25,000.00
(166,615.32)	(169,681.04)	(3,956,694.33)	(131,889.81)
(83,307.66)	(84,840.52)	(1,978,347.16)	(65,944.91)
(138,290.72)	(140,835.27)	(2,334,056.29)	(77,801.88)

2051	2052	Total	Cost/Year
33,323.06	33,936.21	791,338.87	26,377.96
24,992.30	25,452.16	593,504.15	19,783.47
15,828.46	16,119.70	375,885.96	12,529.53
		150,000.00	5,000.00
16,661.53	16,968.10	395,669.43	13,188.98
(83,307.66)	(84,840.52)	(1,978,347.16)	(65,944.91)
7,497.69	7,635.65	328,051.24	10,935.04

**THE CORPORATION OF THE
TOWNSHIP OF ZORRA**



BY-LAW NO. 34-22

**BEING A BY-LAW TO CONFIRM THE PROCEEDINGS
OF THE COUNCIL OF THE TOWNSHIP OF ZORRA
AT A SPECIAL COUNCIL MEETING HELD
ON MAY 10, 2022**

WHEREAS Section 5(3) of the Municipal Act, 2001, Chapter 25, provides that a municipal power, including a municipality's capacity, rights, powers and privileges under section 9, shall be exercised by by-law unless the municipality is specifically authorized to do otherwise.

**NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF
ZORRA ENACTS AS FOLLOWS:**

1. That the actions of the Council of the Township of Zorra, at a special meeting held on May 10, 2022 in respect to each report, motion, resolution or other action passed and taken by the Council at its meeting, is hereby adopted, ratified and confirmed, as if each resolution or other action was adopted, ratified and confirmed by its separate by-law.
2. That the Mayor and the proper officers of the Corporation are hereby authorized and directed to do all things necessary to give effect to the said action, or obtain approvals, where required, and, except where otherwise provided, the Mayor and the Deputy Clerk are hereby directed to execute all documents necessary in that behalf and to affix the Corporate Seal of the Township of Zorra to all such documents.

READ A FIRST AND SECOND TIME THIS 10th DAY OF MAY, 2022.

READ A THIRD TIME AND FINALLY PASSED THIS 10th DAY OF MAY, 2022.

**MAYOR
MARCUS RYAN**

**TOWNSHIP DEPUTY CLERK
ALYCIA WETTLAUFER**