



Administrative Report

To: Warden MacDonald and Members of Essex County Council

From: Allan Botham, P.Eng., Director, Infrastructure & Planning Services

Date: Wednesday, December 3, 2025

Subject: County Administration Building Ground Floor Renovation

Report #: 2025-1203-IPS-R28-AB

Purpose

To present information to County Council regarding renovation to the ground floor of the County Administration building at 360 Fairview Ave, West, Essex, ON.

Background

On or about August 12/13, 2025, the Administration building suffered water damage to the ground floor. The damage was the result of a broken roof leader drain that runs inside the building from the roof down to the ground floor ceiling, and then outside to the storm water management system.

A restoration company attended the site on Monday, August 13, 2025 to begin a cleanup and collection operation. The County of Essex's insurance company was notified immediately and a claim process is underway.

Essex County Library staff have been relocated to the former Media Centre area. Resource materials have been temporarily located in various storage areas of the Administration Building and in temporary containers.

Essex County Council directed Administration, by way of resolution 267-2025, to "prepare a project plan that would renovate portions of the ground level of the Administration Building, occupied by Essex County Library, impacted by the recent water damage, to the new office standard, and include the budget estimate in the draft 2026 Budget."

Discussion

The removal of affected materials is complete. Approximately 1,270 square metres (14,000 square feet) of the ground floor was affected by water damage. (please refer to Appendix A)

Given the long-term plans to renovate the County Administration Building and the availability of funding in the Capital Reserve, Administration recommends that the ground floor be renovated using insurance claim proceeds, rather than pursuing a "like-for-like" restoration.

The proposed renovation would cover approximately 1,500-1800 square metres (16,200 to 19,400 square feet). Notably, the IT and washroom areas on the ground floor were renovated in 2020, as outlined in Council Report No. 2025-0219-IPS-R05-AB.

For comparison purposes, Table 1 provides cost estimates for:

- a) a "like for like" restoration (ceiling tile, flooring, kitchenette and paint with no wall reconfiguration/space optimization)
- b) a complete renovation to standards of recent renovations on the first floor.

A complete renovation would involve areas affected by water plus the former Media Centre and hallways. Proposed improvements would include: flooring, revised layout to optimize work areas, updated electrical, HVAC and plumbing, new lighting/ceiling tiles, updated security and IT infrastructure, along with a kitchenette.

Please note that the County insurance policy includes an anticipated \$50,000 deductible.

The insurer has advised that coverage confirmation is pending receipt of a detailed control estimate from the insurer's construction contractor. This estimate will separate covered water-damage repairs from any excluded asbestos-related work, as asbestos abatement costs are not covered under the policy.

Once the control estimate is received and reviewed by the insurers, the approved like-for-like rebuild value will be confirmed, which will allow finalization of the insurance settlement and determination of funds available for a renovation beyond like-for-like restoration.

While the focus of this report is on capital renovations, Library staff are compiling documentation for damaged contents, which will be addressed separately in the claim process.

Table 1

Reconstruction Option	Approximate Cost
a) "Like for Like" Restoration	\$340,000
b) Renovation to County Standards	\$2,500,000

Financial Implications

It is anticipated that the County's insurance policy will cover the eligible like-for-like restoration costs, less the \$50,000 deductible. Final confirmation of eligible costs will be provided once the insurer completes its control estimate. Insurance reimbursement will be limited to the lesser of the approved like-for-like amount or the County's actual invoiced costs.

The like-for-like renovation cost estimate is \$340,000, which is expected to be partially reimbursed through insurance aside from the County's \$50,000 deductible. The resulting net cost to the County, is estimated to be approximately \$85,000. (As noted above, some asbestos-related costs will not be eligible for insurance reimbursement.) Although a like-for-like renovation minimizes immediate financial impact, it would defer optimizing the space to meet ECL staff/operational needs and may lead to higher cumulative costs in the future if inflationary pressures persist.

The renovation to current County standards is estimated to be a maximum of \$2,500,000. Insurance proceeds would offset the total project cost. Any costs exceeding the insurance recovery would be funded through the Capital Reserve. This approach consolidates the work into a single, comprehensive project, avoiding the inefficiencies and additional costs associated with completing a like-for-like rebuild now and undertaking a full renovation later. The Capital Reserve draw would protect the 2026 tax rate from any increase.

Damaged contents, including furnishings, equipment, and resource materials, are being assessed separately. Any associated insurance reimbursement will follow a separate process and does not materially affect the comparison between the two capital options.

Administration has included \$2,500,000 in the Draft 2026 Budget to support the capital renovation to current County standards and proposed a corresponding draw from the Capital Reserve to fully fund the project.

During 2026 Budget deliberations, Council can either confirm Administration’s recommendation or provide alternative direction to address the scope of the renovation project.

Consultations

Preparation of this report included consultation with:

- Restoration Contractor
- County of Essex Engineering and Facilities Divisions
- County of Essex Financial Services staff

Strategic Plan Alignment

Working as Team Essex County	Growing as Leaders in Public Service Excellence	Building a Regional Powerhouse
<input checked="" type="checkbox"/> Scaling Sustainable Services through Innovation <input type="checkbox"/> Focusing “Team Essex County” for Results <input type="checkbox"/> Advocating for Essex County’s Fair Share	<input checked="" type="checkbox"/> Being an Employer with Impact <input type="checkbox"/> A Government Working for the People <input checked="" type="checkbox"/> Promoting Transparency and Awareness	<input checked="" type="checkbox"/> Providing Reliable Infrastructure for Partners <input type="checkbox"/> Supporting Dynamic and Thriving Communities Across the County <input checked="" type="checkbox"/> Harmonizing Action for Growth <input type="checkbox"/> Advancing Truth and Reconciliation

Recommendation

That Essex County Council receives report number 2025-1203-IPS-R28-AB, County Administration Building Ground Floor Renovation as information.

Approvals

Respectfully Submitted,

Allan Botham

Allan Botham, P.Eng., Director, Infrastructure and Planning Services

Concurred With,

Sandra Zwiers

Sandra Zwiers, MAcc, CPA, CA, Chief Administrative Officer

Appendix	Title
Appendix A	Map of Areas affected by Water