

Coniston Industrial Park Limited

Presented To:	City Council
Meeting Date:	June 29, 2021
Type:	Routine Management Reports
Prepared by:	Robert Webb Planning Services
Recommended by:	General Manager of Growth and Infrastructure

Report Summary

This report provides a recommendation regarding modification to a cost sharing request by Coniston Industrial Park Limited.

Resolution

THAT the City of Greater Sudbury approves the request for modification to the cost sharing request by the Coniston Industrial Park Limited regarding the installation of approximately 860 linear metres of 250mm watermain within the laneway between Edward Avenue and William Avenue road allowances for a proposed industrial facility as outlined in the report entitled “Coniston Industrial Park Limited”, from the General Manager of Growth and Infrastructure, presented at the City Council meeting on June 29, 2021, previously presented at the Planning Committee meeting on June 25, 2018, and subsequently modified by Planning Committee at the meeting on June 22, 2020;

AND THAT the City of Greater Sudbury approves additional funding from Industrial Reserve Fund of \$448,627 for the City's 50% share of additional costs, with remaining \$448,627 to be received from the landowner.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

The application to modify the cost sharing agreement is an operational matter under the City's Cost Sharing policy to which the City is responding.

Financial Implications

In order to award the construction contract, additional funds of \$900,000 is required. This would be split 50/50 between the City and the landowner/developer at \$448,627 each. If approved, the City's share of \$448,627 will be funded from the Industrial Reserve Fund.

Report Overview:

The applicant is requesting a modification to the agreement, reflecting the tender prices received for the construction of the works. The lowest bid received on the tender closing date of April 22, 2021, is above the original budget, which must be approved by Council.

STAFF REPORT

Applicant:

Coniston Industrial Park Limited

Location:

Parcel 49300, Remainder Part 1, 53R-12910, Remainder Parts 1 to 4, 53R-12909, Lots 2 and 3, Concession 3, Township of Neelon, Edward Avenue, Coniston

Application:

To modify the details of the original request for a cost sharing agreement, updating the monetary contributions as a result of the tendering process for ENG21-1 Tender for Coniston Watermain Upgrades – Allan Street to Stanley (Laneway) to Edward Street (Stanley St. to Smelter Road), as set out in the original approval from the May 28, 2018 Planning Committee meeting and amended at the June 22, 2020 Planning Committee meeting. Copies of these original staff reports are attached.

Proposal:

Based on the following information received regarding the tender price of the successful bidder for the Capital Works Project, it is the purpose of this report to provide the tendered contract pricing information necessary for entering into the agreement:

Economic Development

Economic Development continues to support this project to enhance services to the Coniston Industrial Park. Staff have maintained regular contact with Coniston's representatives as they continue their ambitious plans to develop the park. Further to the last report on June 22, 2020, the Coniston Industrial Park has successfully secured an agreement with the intended tenant to the industrial park, which was the basis of the need for this infrastructure work. Further, Economic Development is collaborating with Coniston to attract other prospective industrial tenants to the park, however they cannot support additional large-scale industrial development in the park without these critical water infrastructure upgrades. The Coniston Industrial Park is prepared to continue to support the project in the form of a financial

contribution, based on the most recent bid submissions, as outlined in this report and in accordance with the City of Greater Sudbury cost-sharing agreement. Given the current limited supply of serviced M3 land in the community, Economic Development views this project as a strategically important investment to ensure industrial clients have options when considering establishing their operations in the City of Greater Sudbury. With this economic need in mind, Economic Development is recommending that the City's share of the additional costs related to the project are paid from the Industrial Reserve Fund.

Development Engineering

The original request for cost sharing attributed to this project with one source of external funding from NOHFC resulted in a City share of approximately \$760,617.19 (including non-refundable HST) of the approximate \$2,028,312.50 (including non-refundable HST) cost of construction for the entire project.

Since the original approval, the project has successfully acquired funding from FedNor, in addition to the NOHFC funding. This reduced the City's share of the original estimated project cost to approximately \$507,078.13 including non-refundable HST, which was reflected in the June 22, 2020 update.

During the 2021 Capital Budget deliberations additional funding of \$600,000 was approved, based upon detailed estimates for the project. The funding sources identified were \$300,000 from user fees and \$300,000 from the developer.

The project has since proceeded through the design and tendering phases of a Capital Works Project. Seven (7) Bids were submitted, ranging in value from \$3,192,817.00 to \$4,351,617.90. This number of responses can be considered typical for this type of project and represents good value. The successful tender of \$3,192,817.00 for the construction of the project results in a total project cost of \$3,525,566 including non-refundable HST. With the FedNor and NOFC funding of \$1,014,156, the cost of the project to be funded by the developer and the City at a 50/50 rate is \$2,511,410. This results in a City portion of the cost of \$1,255,705. Current approved funding allocated to this project is \$807,078 (\$126,770 from the Industrial Park Reserve Fund and \$680,308 from water user fees). This results in a requirement for an additional \$448,627 to fund this project through to completion.

Summary

Staff has reviewed the updated information with respect to the change in funding requirements based on the successful tendered prices. As such, due to the economic significance of the Coniston Industrial Park and based on the reaffirmed commitments from Coniston Industrial Park, FedNor and NOHFC staff is recommending that the project proceed, with the additional costs to be divided evenly between the developer and the City - with the City's portion to be drawn from the Industrial Reserve Fund, staff are satisfied with this information and support this modification to the cost sharing agreement to allow the project to proceed to construction.