

Request for Decision

Cost Sharing Agreement Application

Presented To:	Planning Committee
Presented:	Monday, Jun 25, 2018
Report Date	Thursday, Jun 07, 2018
Type:	Routine Management Reports

Resolution

THAT the City of Greater Sudbury approves the cost sharing request by the Coniston Industrial Park Limited for the installation of approximately 860 metre length 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 “Cost Sharing Agreement Application” from the General Manager of Growth and Infrastructure, presented at the Planning Committee meeting of June 25, 2018;

AND THAT the General Manager of Growth and Infrastructure be directed to negotiate and enter into a Cost Sharing Agreement with the registered owner that includes, but is not limited to the following parameters:

A breakdown of eligible cost sharing for the installation of watermain at 50% cost for the developer and 50% cost for the City of Greater Sudbury, to be equally reduced by any funding provided from other levels of government.

A sunset clause limiting the duration of the agreement to 3 years from the date of Council’s approval with any extension to the agreement to be approved by Council.

AND FURTHER THAT the source of funding for the City’s share of actual costs which is estimated at \$1,014,156.25 before any external grants be split 50:50 from the Industrial Reserve Fund and the 2019 Capital Budget for Water.

Signed By

Report Prepared By

Robert Webb
Supervisor of Development
Engineering
Digitally Signed Jun 7, 18

Manager Review

Eric Taylor
Manager of Development Approvals
Digitally Signed Jun 7, 18

Recommended by the Division

Jason Ferrigan
Director of Planning Services
Digitally Signed Jun 7, 18

Financial Implications

Jim Lister
Manager of Financial Planning and
Budgeting
Digitally Signed Jun 7, 18

Recommended by the Department

Tony Cecutti
General Manager of Growth and
Infrastructure
Digitally Signed Jun 12, 18

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed Jun 12, 18

Relationship to the Strategic Plan / Health Impact Assessment

The application for cost sharing is a matter under the City’s Policy on Development Cost Sharing 2016 to which the City is responding.

Report Summary

The application requests cost sharing for 50% of the replacement cost of a watermain in the south end of Coniston between the City of Greater Sudbury and Coniston Industrial Park Ltd. Funding from other sources is also being sought by the City which would reduce the costs for both the owner and the City.

The City's share is calculated to be approximately \$1,014,156.25 plus applicable HST. With approval of external funding sources (FedNor and Northern Ontario Heritage Fund Corporation) for this project, the City's and the developer's shares could be lowered to approximately \$507,078.13 for each plus applicable HST.

It is recommended that a combination of the City's "Industrial Reserve Fund" and the "2019 Capital Budget for Water" be used as the sources of funding for the City's portion.

Financial Implications

The City's share is calculated to be approximately \$1,014,156.25 plus applicable HST based on the full project cost. This share is reduced to \$760,617.19 based on the funding committed by NOHFC and could be further reduced to approximately \$507,078.13 plus applicable HST if the City is successful with the funding request that is currently under review by FedNor.

The City's share will be funded equally from the Industrial Reserve Fund and the 2019 capital budget for water.

Title: Cost Sharing – Coniston Industrial Park and City of Greater Sudbury

Date: May 28, 2018

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:

Request for a cost sharing agreement between the applicant and the City based on the City's Policy on Development Cost Sharing 2016.

Proposal:

The cost sharing agreement request is to upgrade the existing 150mm watermain in the laneway between Edward and William Avenues to an upgraded 250mm watermain from Allan Street to Smelter Road. The upgrade is required in order to increase fire flow in the area and provide a proposed development with fire protection.

The applicant is requesting a cost sharing agreement with the City on 50% of the total costs to replace the watermain. The City is also seeking funding for 50% of the total costs through Northern Ontario Heritage Fund Corporation (NOHFC) and FedNor. As of March 23, 2018, NOHFC has indicated that they will provide 25% of the project cost up to \$507,078.13 and the City is continuing discussions with FedNor regarding funding for an additional 25% of the project cost. The City's and Coniston Industrial Park Limited's share of the project cost would be reduced equally by the contributions from NOHFC and FedNor.

The proposed development, on the lands located at 84 Smelter Road, comprises the construction of a new 80,000 sq. ft. industrial facility that will produce battery-grade lithium for use in electric vehicles.

Departmental & Agency Comments:

Greater Sudbury Development Corporation

Economic Development staff are working with Coniston Industrial Park Ltd. and an investor to establish a new industrial facility in the park that will produce battery-grade lithium for use in electric vehicles. Once operational, the new 80,000 sq. ft. facility, with an estimated value of approximately \$65 million (CAD) is expected to employ 70 full-time staff. The proposed water infrastructure upgrades are required in order to accommodate the needs of the new facility.

Water/Wastewater

The watermain upgrades will increase fire flow in the area along Edward Avenue and William Avenue in addition to renewing the City's infrastructure. It is recommended that the City's share of the costs be funded from both the Industrial Reserve Fund and the 2019 Capital Budget for Water.

Title: Cost Sharing – Coniston Industrial Park and City of Greater Sudbury

Date: May 28, 2018

Background:

Edward and William Avenues are serviced with a 150mm watermain located in the laneway between these streets from Allen Street in the north through to Smelter Road in the south. The fire flow has been modeled and shown to be deficient in this area of Coniston and thus to service the proposed industrial use at Smelter Road, this watermain requires upgrading. The City recently upgraded the watermain on Second Avenue under Capital Project ENG 16-7 which included the replacement of the watermain on Second Avenue from Highway 17 southwards to Balsam Street and First Avenue under Capital Project ENG 17-3 which included the replacement of the watermain on First Avenue from Balsam Street southwards to Coniston Centennial Park. Council also approved a request in September 2016 from Coniston Seniors Non-Profit Housing Corporation for cost sharing to replace the watermain on Elm Street from First Avenue westerly. This cost shared project has not yet been constructed.

Both the Capital Projects (ENG 16-7 and ENG 17-3) and the upgrading that is the subject of this report are required in order to provide sufficient fire flow to the industrial development site at Smelter Road.

Cost Sharing

The City's 2012 Development Cost Sharing Policy was recently reviewed and replaced by Council approving on August 9, 2016 a new Development Cost Sharing Policy. This policy establishes a basis for the City to share the costs of upgrading certain infrastructure with private land owners and developers. The cost distribution between the developer and the City will be applied as follows based on the 2016 policy.

The Cost Sharing Policy in Section 4.3 External Services C) states that "In situations where a new development creates a deficiency in the external system and there are no existing deficiencies, the developer shall be responsible for 100% of the cost. In situations where there is an existing deficiency; the City shall be responsible for 50% of the cost.

An existing 150mm watermain with insufficient capacity is currently installed in the laneway between Edward Avenue and William Avenue and this is the subject of the cost sharing application. The developer will be required to pay 100% of the cost for their service connection from their site to the watermain location at the intersection of Edward Avenue and Smelter Road.

Estimated Costs

The Developer's Engineering cost estimate for the works (see attached) includes a total estimated cost of \$2,028,312.50 for the construction of the works and associated engineering. Development Engineering staff have reviewed the cost estimate and are satisfied that this reflects a useful construction cost estimate for funding purposes. The actual amount of the City's portion of the cost sharing will be determined based on actual costs of construction of the works after construction is complete as per section 3.0 of the Cost Sharing Policy – Definition of Terms for "cost" within the road allowance for the laneway between Edward Avenue and William Avenue. It is anticipated that the City would undertake the works as part of its capital construction program and Coniston Industrial Park Limited would provide the City with their share of the costs along with those from other external sources (FedNor and NOHFC). Any watermain installation on private lands would be considered a watermain connection and the developer would be responsible for 100% of these costs.

Title: Cost Sharing – Coniston Industrial Park and City of Greater Sudbury

Date: May 28, 2018

Funding Source:

It is recommended that the funding source for the City's share of the costs come from a combination of the City's Industrial Reserve Fund which currently has a balance of approximately \$2.36 million and the 2019 Capital Budget for Water. The industrial reserve fund can be used to fund the City's share for upgrading City related infrastructure (i.e. Roads, Water/Wastewater pipes, etc.) relating to Industrial land development and/or related to the Development Cost Sharing Policy.

Sunset Clause:

Section 2.2 g) of the 2016 Development Cost Sharing Policy allows for the City to include a sunset clause in the cost sharing agreement that limits the amount of time that City funds would be reserved exclusively for a particular project. To this effect, the cost sharing agreement would contain a clause limiting the duration of the agreement to three (3) years from the date that the request is approved by Council. Any extension to the duration of the agreement must be approved by Council.

Summary:

The application for cost sharing is supported by staff based on the information submitted and the City's Policy on Development Cost Sharing.

Planning Services recommends that the City enter into a 50/50 cost sharing agreement with Coniston Industrial Park Limited for watermain upgrading to service the proposed industrial development detailed in the engineer's breakdown of costs as reviewed by Development Engineering staff.

The City's share is calculated to be approximately \$1,014,156.25 plus applicable HST based on the full project cost. This share is reduced to \$760,617.19 based on the funding committed by NOHFC and could be further reduced to approximately \$507,078.13 plus applicable HST if the City is successful with the funding request that is currently under review by FedNor.

The associated cost sharing agreement will have a sunset clause of three years from the date that the request gains approval by Council.

Coniston - Industrial Park Ltd.
Cost Sharing Application
Water Supply Servicing

Allan Street

Walter Street

Nickel Street

William Avenue

Edward Avenue

Walter Street

Gloria Avenue

Samuel Street

Subject Location

Proposed Development

Smelter Road





February 9, 2018

Perry and Perry Architects Inc.
174 Larch Street
Sudbury ON
P3E 1C6

Attention: Chris Perry, Architect, B.E.S B.Arch., OAA

Re: Construction Cost Estimate – Coniston Watermain

Per your request **Exp** is pleased to provide a preliminary construction cost estimate for funding purposes, for the installation of approximately 860 meters of 250 mm diameter watermain replacement for a section of watermain which runs from Allan St. to Smelter Rd in Coniston.

Unit prices from the recently completed project, **Watermain Upgrades & Road Reconstruction/Rehabilitation – Frist Avenue (Coniston)**, were used for our estimate adjusted with an inflation factor.

The Total Current Preliminary Estimated Construction Cost for this project is: \$2,028,312.50 Excl. HST

Sincerely,

exp Services Inc.

A handwritten signature in black ink, appearing to read 'M. Langille', written in a cursive style.

Mark Langille, P.Eng.,
Infrastructure Manager

Construction Cost Estimate

City of Greater Sudbury



Watermain Upgrades & Road Reconstruction/Rehabilitation Coniston

Date : 2018-02-09

PART A - CONTRACT AND GENERAL REQUIREMENTS						
Item	OPSS	Description	Unit	Qty	Unit Price	Total
1		Bonding, Insurance	L.S.	1	\$ 50,000.00	\$ 50,000.00
2		Mobilization/Demobilization	L.S.	1	\$ 20,000.00	\$ 20,000.00
3	Nil	Waste Management	L.S.	1	\$ 5,000.00	\$ 5,000.00
TOTAL PART A						\$ 75,000.00

PART B - WATERMAIN						
Item	OPSS	Description	Unit	Qty	Unit Price	Total
1	441 SP #12	150mm Dia. Watermains (including Fittings)	m	200	\$ 375.00	\$ 75,000.00
2	441 SP #12	250mm Dia. Watermains (including Fittings)	m	860	\$ 500.00	\$ 430,000.00
3	441 SP	Jack and bore 457mm dia. Schd 40 steel casing	m	60	\$ 2,500.00	\$ 150,000.00
4	441 SP #12	Connection to Existing Watermain	each	5	\$ 5,000.00	\$ 25,000.00
5	441 SP #13	Watermain Service Connections including Appurtenances (Main to Lot Line) GSSD 1104.010(25mm Copper)	each	37	\$ 2,200.00	\$ 81,400.00
6	441 SP #13	Watermain Service Connections including Appurtenances (Main to Lot Line) GSSD 1104.010(40mm Copper)	each	1	\$ 4,000.00	\$ 4,000.00
7	441	Hydrant Sets (includes bends, corrosion protection, tees, lead, valves and valve boxes) GSSD 1105.010	each	9	\$ 8,500.00	\$ 76,500.00
8	441 SP #12	150mm Watermain Gate Valve Complete with Valve Box GSSD 1101.020	each	6	\$ 2,000.00	\$ 12,000.00
9	441 SP #12	250mm Watermain Gate Valve Complete with Valve Box GSSD 1101.020	each	4	\$ 3,500.00	\$ 14,000.00
10	510 MUNI	Removals - Valve Boxes	each	14	\$ 2,000.00	\$ 28,000.00
11	510 MUNI	Removals - Hydrants	each	9	\$ 100.00	\$ 900.00
12	493	Temporary Potable Water Service	L.S.	1	\$ 50,000.00	\$ 50,000.00
13	410 MUNI SP#20	Trench Stabilization - Excavation of Unsuitable Material (Below Bedding Line)	cu.m	100	\$ 25.00	\$ 2,500.00
14	410 MUNI SP#21	Trench Stabilization - Granular 'A'	tonne	2,500	\$ 20.00	\$ 50,000.00
15	511 SP#22	Trench Stabilization - Geotextile Terratrack 400w	sq.m	100	\$ 10.00	\$ 1,000.00
16	Nil	Misc. Restoration to Private Property	L.S.	1	\$ 50,000.00	\$ 50,000.00
TOTAL PART B						\$ 1,050,300.00

PART C - ROAD RECONSTRUCTION						
1	206 MUNI	Excavation (Grading) Earth	cu.m	3,900	\$30.00	\$117,000.00
2	308	Tack Coat RS-1	sq.m	2,700	\$5.00	\$13,500.00
3	310	Hot Mix Asphalt Binder HL8 (50mm Lift) PG 64-34 with Polymer	tonne	325	\$200.00	\$65,000.00
4	310	Hot Mix Asphalt Surface HL3 (40mm Lift) PG 64-34 with Polymer	tonne	265	\$200.00	\$53,000.00
5	314	Granular Materials Granular "A" Crushed	tonne	1,800	\$25.00	\$45,000.00
6	314	Granular Materials Granular "B" Type II	tonne	5,800	\$20.00	\$116,000.00
7	511	Geotextile Terratrack 400w	sq.m	4,800	\$10.00	\$48,000.00
8	351	Concrete Sidewalk GSSD 310.010	sq.m	380	\$150.00	\$57,000.00
9	353	Concrete Curb and Gutter GSSD 600.010	m	370	\$130.00	\$48,100.00
10	405	Pipe Subdrain (150mm) GSSD 225.010	m	570	\$20.00	\$11,400.00
11	410 MUNI	Adjusting structures	each	10	\$700.00	\$7,000.00
12	510 MUNI	Removal of Asphalt Pavement	sq.m	2,700	\$15.00	\$40,500.00
13	510 MUNI	Removal of Concrete Curb and Gutter (All Types)	m	370	\$15.00	\$5,550.00
14	510 MUNI	Removal of Concrete Sidewalks	sq.m	380	\$15.00	\$5,700.00
15	710	Pavement Markings Permanent	m	285	\$20.00	\$5,700.00

TOTAL PART C

\$638,450.00

Total Part 'A' - Contract and General Requirements	\$ 75,000.00
Total Part 'B' - Watermain	\$ 1,050,300.00
Total Part 'C' - Road Reconstruction	\$ 638,450.00
Total Parts 'A' to 'C'	\$ 1,763,750.00
Contingency (15%)	\$ 264,562.50
Total Construction Cost Estimate	\$ 2,028,312.50 +HST