

Development Cost Sharing Application for a Center Left Turn Lane on the Kingsway and Road Improvements on Kitchener Avenue

Presented To:	Finance and Administration Committee
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Type:	Managers' Reports
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Recommended by:	General Manager of Growth and Infrastructure

Report Summary

This report provides a recommendation and background information with respect to a development cost sharing application to facilitate a proposed commercial development at 507 Kingsway by widening the Kingsway to provide a center left turn lane for access onto Kitchener Avenue. The application also includes boulevard and road rehabilitation and storm sewer improvements on Kitchener Avenue.

Resolution

THAT the City of Greater Sudbury approves the Development Cost Sharing Application by Bluerock 507 Kingsway Inc. for the widening of the Kingsway from Argyle Avenue to approximately 26 m east of the intersection of Kitchener Avenue to provide a centre left turn lane onto Kitchener Avenue, subject to parameters outlined in the report entitled “Development Cost Sharing Application for a Center Left Turn Lane on the Kingsway and Road Improvements on Kitchener Avenue”, from the General Manager of Growth and Infrastructure, presented at the Finance and Administration Committee meeting on July 10, 2023;

AND THAT the City of Greater Sudbury approves the Development Cost Sharing Application by Bluerock 507 Kingsway Inc. for the rehabilitation of Kitchener Avenue from the Kingsway to the southerly limits of Kitchener Avenue, including 46m of storm sewer upgrades along the east side of Kitchener Avenue, but excluding the westerly boulevard restoration;

AND THAT the General Manager of Growth and Infrastructure be directed to negotiate and enter into a Cost Sharing Agreement with Bluerock 507 Kingsway Inc.;

AND THAT the City’s portion of the Cost Sharing of up to \$714,000 be funded from the 2024 Budget.

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

This recommendation is consistent with Council’s Strategic Plan, specifically;

- 1.4 Reinforce Infrastructure for New Development;
- 2.1 Build Economic Development Initiatives to Support Existing Businesses, Attract New Businesses and Promote Entrepreneurship;

- 4.2 Leverage Greater Sudbury's Public Sector Assets and Intergovernmental Partnerships to Generate New Economic Activity, and
- 4.4. Invest in Transformative Facilities, Spaces and Infrastructure Initiatives that Support Economic Activity.

This recommendation is also consistent with the CEEP goal of facilitating compact, complete communities through infill developments.

Financial Implications

The City's share of the cost sharing of up to \$714,000 could be funded from the 2024 Budget, subject to Council approval.

Background

The City has received an application for Development Cost Sharing for the construction of a centre left turn lane on the Kingsway at Kitchener Avenue and road rehabilitation and storm sewer upgrades on Kitchener Avenue. The improvements are needed to facilitate a commercial development on the vacant lot at 507 the Kingsway. The total cost of the required improvements is approximately \$994,000 and application proposes a cost sharing formula of 75% City and 25% developer.

Specifically, the application seeks to share with the City in the cost of widening the Kingsway to 5 lanes and providing Active Transportation facilities from Argyle Avenue to approximately 26 m past Kitchener Avenue as part of the commercial development at 507 Kingsway. The requirement for a centre left turn lane onto Kitchener Avenue was identified in the Dillon Consulting, Traffic Impact Study, dated August 2022, which was submitted to the City as part of the site plan application for the proposed 507 Kingsway development.

Section 11.2.2.1 (7) of the City's Official Plan identifies a short-term improvement priority to widen the Kingsway to five lanes and providing Active Transportation facilities from the intersection of Lloyd Street and Brady Street to 430 m east of Kitchener Avenue. To achieve this priority, the City has been actively purchasing properties along the north side of the Kingsway. The City currently owns sufficient property to widen the Kingsway from Argyle Street to ~26m past Kitchener Avenue and would need to purchase three more properties (564, 616 & 634 Kingsway) to complete the remaining ~404m of the widening to a location 430m east of Kitchener Avenue. The proposed left turn lane (road widening) in this application would partially achieve this priority under the Official Plan.

The application also seeks to share with the City in the cost of restoring the boulevard along the Kitchener Avenue frontage of their development as well as reconstruct Kitchener Avenue from the Kingsway to the southerly limit of Kitchener Avenue, including upgrades to the storm sewer. Kitchener Avenue is currently a rural cross section for a portion of the east side of the road and does not have a standard boulevard with curbing along the west side of the road. The condition of the existing asphalt along Kitchener Avenue is poor and is need of rehabilitation. In addition, the existing storm sewer is a shallow culvert that has heaved and should be replaced with a deeper storm sewer to meet city standards, along with catch basins and subdrain to improve the drainage in this area.

Analysis

Policy related to Road Improvements through Site Plan Control

Section 41.7 of the [Planning Act](#) allows municipalities, as a condition of approval under site plan control, to require developers to provide, at their expense, the sustainable design elements on any adjoining road including, widening of highways, facilities to provide access, including access ramps and curbing, ground cover, grading or alteration in elevation or contour of the land and provision for the disposal of stormwater from the land.

Under this section of the Planning Act all the proposed works outlined in this cost sharing proposal are to be completed entirely at the developer's expense. However, The City has developed a [Policy on Development Cost Sharing](#) to allow the City to cost share where the works represent an opportunity to rehabilitate, upgrade, and or replace infrastructure that would otherwise fall under the City's capital program.

Policy on Development Cost Sharing

The current version of the City's Policy on Development Cost Sharing was approved by Council in 2016. The Policy establishes a framework with respect to situations where the City may wish to participate in the cost to upgrade and widen roads and services. There are a few sections in the Policy on Development Cost Sharing that could apply regarding the proposed Kingsway Road widening and Kitchener Avenue road rehabilitation, drainage and storm sewer improvements.

Section 2.1 (a) & (b)

This section recognizes that development represents an opportunity to rehabilitate, upgrade and or replace infrastructure that would otherwise fall under the City's capital programs.

This section also states that cost sharing is an option in situations where there are off site deficiencies or enhanced work is desired by the City.

With respect to these two sections, the City has identified an interest in widening the Kingsway and has continued to purchase properties along the Kingsway so that a widening of the Kingsway could be completed in future. The purpose of this widening would be to enhance the flow of traffic in the area, which currently does not have a center left turn lane and improving public safety by providing a location for vehicles to turn left onto Kitchener Avenue without impeding traffic. The widening would also allow for a portion of the City's Active Transportation facilities along the Kingsway to be constructed.

In the past, Council has approved Cost Sharing applications for new infrastructure, specifically arterial road infrastructure that has been identified in the Official Plan.

These two sections are also applicable for the Kitchener Avenue road rehabilitation, drainage and storm sewer improvements. Kitchener Avenue is a local road and is consider a low priority under the City's capital program. However, given the existing condition of Kitchener Avenue and the timing of the proposed development the City could realize a benefit in sharing the cost of this road rehabilitation, which would fall under a future capital program.

The boulevard work along the developers property would typically fall under the requirements of Site Plan Control, as permitted in the Planning Act, and should not be considered in the request for cost sharing; however, the road restoration and storm sewer upgrade would fall under the Cost Sharing policy with the City's portion of the costs being 50% of the road reconstruction cost in the amount of \$67,000, and 100% of the storm sewer costs, at \$96,000.

Section 6.1 (d), (e) & (h) Roads and Road Connections

This section identifies situations where the City may cost share specifically on road improvement.

Section 6.1 (d) indicates that "in situations where an abutting local road, necessary to service the development, is being upgraded to an urban standard, the Developer shall pay for 50% of the cost and the City shall pay for 50% of the cost.

This situation applies to the road rehabilitation, curb, and boulevard work on Kitchener Avenue.

Section 6.1 (e) indicates that "in cases where an abutting road is identified as a collector (arterial) road in the Official Plan and needs to be upgraded, the developer shall pay 50% and the City shall pay 50% of the cost."

This situation applies to the centre left turn lane and road widening on the Kingsway; however, as this work is also identified in the Official Plan (Section 11.2.2.1(7)) then Section 6.1 (h) of the Cost Sharing Policy would apply, which indicates that “in situations where a proposed road is identified as a major future road in the Official Plan and creates an improvement in the existing road network, the City may consider alternative cost sharing measures on a case by case basis.

In summary, there is a policy framework and precedence in place for the City to cost share on the Kingsway and Kitchener Avenue work up to 50% of the cost (\$434,000) should Council wish to do so. Additionally, there is a policy framework in place for the City to cost share on the Kingsway work up to 75% and the Kitchener Avenue work up to 50% of the costs (\$618,000) should Council wish to do so.

Section 4.1.1a) Storm Infrastructure, Non Cost Sharing Situations

This section identifies situations where the City will pay for 100% of the costs for storm infrastructure improvements.

Section 4.1.1a) indicates that “for an abutting service, which is not required to service the development, the City shall pay for 100% of the cost (\$96,000) to be recovered from future developments where applicable”

The proposed storm infrastructure improvements along Kitchener Avenue are not required to service the development. These improvements are required to improve drainage on Kitchener Avenue and address an existing deficiency in the existing storm infrastructure related to a shallow storm sewers and lack of catch basins. If the proposed storm infrastructure improvements were not to be completed as part of this project, the road rehabilitation work noted in section 6.1 of the cost sharing policy may fail prematurely resulting in future operational or capital investment.

Benefits of Cost Sharing

There are several benefits for the City to cost share on the proposed works identified in this application. The first is that the Kingsway centre left turn lane represents a portion of the short-term priority Kingsway widening identified in the Official Plan. The City has an opportunity through this application to realize a portion of this widening at this time while also sharing in the cost of its construction. Should the City not cost share at this time, it may have to complete the widening later, at a higher cost at its own expense.

Secondly, the center left turn lane and Kitchener Avenue road improvements would enhance traffic safety in the area by isolating left turn traffic from through traffic on the Kingsway and improving the road surface and drainage on Kitchener Avenue.

Thirdly, a portion of the City’s active transportation network can be constructed along the Kingsway and the sidewalk relocated away from the road to improve pedestrian safety and accommodate snow storage.

Finally, the proposed works would allow the commercial development at 507 Kingsway to proceed, redeveloping a derelict vacant property. The proposed commercial development could generate between \$35,000 to \$45,000 annually in new taxes.

Options

The proposed work on the Kingsway represents a portion of the Kingsway Road widening and active transportation network identified as a short-term priority in the Official Plan and the Kitchener Avenue Road improvements represents work that would be required under a future capital works project. The estimated cost to construct the Kingsway Road widening, as provided by the applicants, is approximately \$734,000, and \$260,000 to reconstruct Kitchener Avenue.

The City’s Policy on Development Cost Sharing contains a framework that would allow the City to cost share on the proposed Kingsway widening and Kitchener Avenue Road improvements up to 50% of the cost

(\$530,000), including 100% of the storm sewer costs, should Council wish to do so. Additionally, there is a policy framework for the City to cost share on the Kingsway work up to 75% and the Kitchener Avenue work at 50% of the costs (\$714,000), including 100% of the storm sewer costs, should Council wish to do so. Should the City wish to cost share on this application it would have the benefit of realizing a portion of the Kingsway widening identified in the City's Official Plan. It would also facilitate the creation of commercial infill development on a derelict vacant property that will contribute to local job and assessment growth, while at the same time improving traffic safety at the intersection of the Kingsway and Kitchener Avenue.

Council has a number of options with respect to this application, namely:

1. Cost Share with the applicant to widen the Kingsway (75%) and reconstruct Kitchener Avenue, excluding boulevard work along the applicant's property (50%), including the storm sewer upgrade (100%) at a Cost of \$714,000 for the City and \$280,000 for the developer.
2. Cost Share with the applicant to widen the Kingsway (50%) and reconstruct Kitchener Avenue, excluding boulevard work along the applicant's property (50%), including the storm sewer upgrade (100%) at a Cost of \$530,000 for the City and \$464,000 for the developer.
3. Cost Share with the applicant to reconstruct Kitchener Avenue, excluding boulevard work along the applicant's property (50%), including the storm sewer upgrade (100%) at a cost of \$163,000 for the City and \$97,000 for the developer, subject to the approval of the General Manager of Growth and Infrastructure and have the developer contribute \$184,000 for the City to 5 lane the Kingsway and provide active transportation facilities in future.
4. Cost Share all works associated with Kitchener and the Kingsway, except for the storm sewer upgrades which would be 100% City Cost, as requested by the Developer with the City's portion totaling (75% road work + 100% storm) \$769,000, and the developer's costs totaling (25%) \$225,000.
5. Do not cost share in any or only some of the works.

Conclusion

Based on the analysis in this report, staff recommend that Council approve the application for cost sharing and authorize the General Manager of Growth and Infrastructure to enter into a cost sharing agreement subject to the following:

1. That the cost sharing agreement provide for the widening of the Kingsway from Argyle Avenue to approximately 26m east of Kitchener Avenue to construction a centre left turn lane onto Kitchener Avenue and include required improvements to the road and stormwater infrastructure on Kitchener Avenue.
2. That the City's contribution to the project be 75% (\$551,000) of the cost to construct the centre left turn lane on the Kingsway and 50% (\$67,000) of the costs to reconstruct the road on Kitchener Avenue and 100% (\$96,000) of the costs to improve the stormwater infrastructure on Kitchener for a total upset limit contribution from the City of \$714,000.

Resources Cited

City of Greater Sudbury Policy on Development Cost Sharing 2016
(<https://www.greatersudbury.ca/linkservid/5E38F9D5-04B2-D0AB-05F8E5B48718740A/showMeta/0/>)

City of Greater Sudbury Official Plan (<https://www.greatersudbury.ca/city-hall/reports-studies-policies-and-plans/official-plan/official-plan/op-pdf-documents/current-op-text/>)

Attachments

- KINGSWAY – CLASS D COST ESTIMATE
- KINGSWAY – PRELIMINARY DESIGN DRAWING
- KITCHENER – CLASS C COST ESTIMATE
- KITCHENER – DETAILED DESIGN DRAWING