

# Business Case for Service Level Change

**Request/Project Name:** Construction of Elgin Greenway

**Department:** Infrastructure Services

**Division:** Planning Services Division

## I. Executive Summary

### Overview of Proposal

This business case proposes that the City contribute \$1 million per year in 2017, 2018 and 2019 to the Elgin Greenway project. These investments would be added to the approximately \$1 million already set aside for the project. The estimated construction cost for the Elgin Greenway is \$6 million. Applications to FedNor and NOHFC could be made to fund the balance of the estimated project cost (\$1 million per funding agency). The Elgin Greenway will transform Elgin Street into a new green, active and balanced transportation corridor. It will connect Downtown to the Junction Creek Waterway Park, Bell Park, Ramsey Lake and Science North. Elgin Street will be widened by up to six metres along the west and south sides of the street. We will see a new two-way bike path, pedestrian path and native, drought-tolerant landscaping. There is a significant amount of community investment in this project - through engagement and workshops to create the initial conceptual design. It is estimated that the Elgin Greenway will increase assessment in the Downtown, which will lead to greater municipal revenues.

### Service Level Impact

This proposal would allow the City to provide a higher level of active transportation infrastructure and amenities to residents.

## II. Background

### Current Service Level (Describe the existing level of service provided)

Not applicable.

### Drivers for Proposed Course of Action

1. Corporate Strategic Plan
2. Downtown Master Plan
3. Completion of School of Architecture Construction and Phase 1 of Elgin Greenway (2016 and 2017)
4. Community support for the Master Plan and Elgin Greenway project

## III. Recommendation

### Categorize your specific request (mark an 'X' for all that apply):

|                                     |                                 |                          |                                    |
|-------------------------------------|---------------------------------|--------------------------|------------------------------------|
| <input type="checkbox"/>            | Change to base operating budget | <input type="checkbox"/> | Change to base FTE allocation      |
| <input type="checkbox"/>            | Change to fees (unit price)     | <input type="checkbox"/> | Change to revenues (volume change) |
| <input checked="" type="checkbox"/> | Investment in Project           | <input type="checkbox"/> |                                    |

### Recommendation (How/Why)

The Planning Services Division is recommending an additional \$3 million be invested in the Elgin Greenway project over the next three years. If approved, these investments would cover 60% of the estimated construction cost. Applications should be made to FedNor (\$1 million) and NOHFC (\$1 million) to fund the balance of the estimated construction cost given the economic benefits associated with the project. If approved, these investments would help implement City Council's change agenda outlined in the Corporate Strategic Plan and build on the first phase of the Greenway which will be constructed on the School of Architecture site.

### Urgency

The Planning Services Division is making this recommendation at this time in order to respond to the above-described drivers. Delaying funding to a later date could change the community's perspective on the project.

#### How does this align with Council's Strategic Plan?

The completion of the Elgin Greenway Project Detailed Design is identified as an action to implement Council's priority of implementing the Downtown Master Plan and development of downtowns, and increasing densification by conversion from commercial to residential. This priority rests under the Growth and Economic Development Pillar.

#### IV. Impact Analysis

##### Qualitative Implications

The Elgin Greenway is a signature public realm improvement for Downtown Sudbury. The qualitative implications will be the redevelopment of Elgin Street into an active linear parkway connecting Downtown Sudbury to the Junction Creek Waterway Park, Bell Park, Ramsey Lake and Science North. Completion of this Downtown Master Plan project would also represent a significant investment by the City into the redevelopment of the Downtown.

##### Quantifiable Implications - Revenue & Expenditures

The City has already committed \$1.04M to the construction of the Elgin Greenway. The preliminary cost estimates for the project indicate that an additional \$5M will be required to complete the project. It is recommended that the City seek funding from other levels of government for up to 40% of the remaining cost of the project or (\$2M) and budget the remaining \$3M over the next three years. It should be noted that the construction of the greenway would also remove approximately 200 parking spaces in the downtown, impacting City revenue from those spaces.

##### Operating Revenues - Incremental

###### Detail

| Description | Duration | Revenue Source | 2017 \$ | 2018 \$ | 2019 \$ | 2020 \$ | 2021 \$ |
|-------------|----------|----------------|---------|---------|---------|---------|---------|
|             |          |                |         |         |         |         |         |
|             |          |                |         |         |         |         |         |
|             | On-Going |                | \$ -    | \$ -    | \$ -    | \$ -    | \$ -    |
|             | One-Time |                | \$ -    | \$ -    | \$ -    | \$ -    | \$ -    |
| Total       |          |                | \$ -    | \$ -    | \$ -    | \$ -    | \$ -    |

##### Operating Expenditures - Incremental

###### Detail

| Description             | Duration | Funding Source | 2017 \$         | 2018 \$         | 2019 \$         | 2020 \$ | 2021 \$ |
|-------------------------|----------|----------------|-----------------|-----------------|-----------------|---------|---------|
| Contribution to Capital | One-Time |                | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,000.00 |         |         |
|                         |          |                |                 |                 |                 |         |         |
|                         | On-Going |                | \$ -            | \$ -            | \$ -            | \$ -    | \$ -    |
|                         | One-Time |                | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ -    | \$ -    |
| Total                   |          |                | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ -    | \$ -    |

##### FTE Table

###### Detail

| Position | Bargaining Unit | Duration | Full Time / Part Time | 2017 (FTE #) | 2018 (FTE #) | 2019 (FTE #) | 2020 (FTE #) | 2021 (FTE #) |
|----------|-----------------|----------|-----------------------|--------------|--------------|--------------|--------------|--------------|
|          |                 |          |                       |              |              |              |              |              |
|          |                 |          |                       |              |              |              |              |              |
|          |                 | On-Going |                       | -            | -            | -            | -            | -            |
|          |                 | One-Time |                       | -            | -            | -            | -            | -            |
| Total    |                 |          |                       | -            | -            | -            | -            | -            |

| Net Impact | 2017 \$         | 2018 \$         | 2019 \$         | 2020 \$ | 2021 \$ |
|------------|-----------------|-----------------|-----------------|---------|---------|
| On-Going   | \$ -            | \$ -            | \$ -            | \$ -    | \$ -    |
| One-Time   | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ -    | \$ -    |
| Total      | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ -    | \$ -    |

**Implementation** *(Likelihood; list any assumptions, constraints)*

Likelihood: Medium. If funding is approved, applications to FedNor and NOHFC could be submitted next year. If those are approved, then construction could begin in 2018 and end in 2019.

Assumptions: That design will be complete in 2016 and FedNor/NOHFC applications will be approved.

Constraints: Technical design challenges, communicating the economic benefits of project with funding agencies.

**Consequences** *(What would be the negative results or drawbacks)*

The negative consequences of constructing the Greenway would be the allocation of funds away from projects in other areas of the City, the increase in operational costs to maintain the Greenway and the loss of approximately \$12,000 (low scenario) to \$26,000 (high scenario) in monthly parking revenue. Both scenarios are based on utilization rates captured by the 2011 Strategic Parking Plan. In the low scenario, the lowest utilization rate of affected parking areas was used. In the high scenario, the highest utilization rate of affected parking areas was used.

**Dependencies/Synergies** *(Does the proposal depend on any other projects)*

The Greenway is a public realm strategy from the Downtown Master Plan. The project has synergies with the completion of the Laurentian School of Architecture as part of the Greenway will be constructed on their site. The Greenway also has synergies with the Downtown Market as it will be located directly in front of the site. Finally, the Greenway would have synergies with the Event Centre, should the decision be made to locate the Event Centre downtown.

**Capacity Impacts** *(Is there enough capacity? Are other departments impacted?)*

Construction of the Elgin Greenway will be project managed by city staff as an Infrastructure Services capital project. This can be accomplished as part of the annual capital construction process.

**V. Alternatives****Alternatives Considered**

| Solution Options              | Operating Changes | Revenue Changes                               | Advantages/ Disadvantages   |
|-------------------------------|-------------------|---|---|
| Construct the Greenway        |                   | Loss of parking revenue. Increased Assessment | Advantages: green connecting link from downtown to Science North. Increased Assessment. Quality of life. Disadvantages: displacement of parking |
| Do not construct the Greenway |                   | Parking Revenue Maintained                    | Advantages: maintain current parking levels. Disadvantages: Perception of not implementing the Master Plan                                      |

**VI. Risks****Risks** *(What are the risks of not implementing this change?)*

This action to support Council's Strategic Plan will not be realized. Public confidence in realizing the Downtown Master Plan affected.