

To: COUNCIL
Meeting Date: 9/17/2024
Subject: **New Capital Project Request - 85 Boxwood Drive Site Servicing**
Submitted By: Leah Walter, Director of Engineering
Prepared By: Sarah Austin, Manager of Development Engineering
Report No.: 24-114-CD
File No.: SP35-20 & SP18-23
Wards Affected: Ward 1

RECOMMENDATION(S):

THAT Report 24-114-CD New Capital Project Request - 85 Boxwood Drive Site Servicing be received;

AND THAT a new capital project for the site servicing of 85 Boxwood Drive be created;

AND THAT the new capital project be fully funded through external recovery from the property owner;

AND FURTHER THAT the Director of Engineering and Chief Financial Officer be delegated authority to execute a Financial Agreement with the property owner, to the satisfaction of the City Solicitor.

EXECUTIVE SUMMARY:

Purpose

Council approval is required for the creation of a new capital project.

Key Findings

The City is responsible for the installation of municipal services within the right-of-way to support development at the cost of the property owner and/or developer.

Given the complexity of the municipal servicing required for 85 Boxwood Drive, an external contractor will be retained by the City to complete the construction. Based on the servicing cost estimate these works should be completed as a capital project.

The need for this capital project was identified in late 2023 as the result of development. Based on the anticipated timing for services as identified by the property owner, approval of this site servicing project is required ahead of the 2025 budget approval process.

Financial Implications

A budget of \$687,500 has been estimated for the cost of site servicing. All site servicing costs are to be fully recovered from the property owner with no impact to the City's budget.

STRATEGIC ALIGNMENT:

Strategic Action

Objective(s): Not Applicable

Strategic Action: Not Applicable

OR

Core Service

Program: Development Engineering

Core Service: Development Engineering

The coordination of the installation of municipal services to support development is completed within the Development Engineering Program.

BACKGROUND:

The City, through the Engineering and Environmental Services divisions, is responsible for the design, approval and coordination of municipal service installation within the right-of-way to support development, with full cost recovery of installation costs from the property owner.

The owners of 85 Boxwood Drive have received site plan approval for the development of their site. In support of that development, the owners require an extension of the existing sanitary sewer on Boxwood Drive from the current termination point north of Royal Oak Road to the site, as well as a water service connection to the existing watermain on Royal Oak Road.

ANALYSIS:

The installation of municipal services within the right-of-way is typically completed by Environmental Services staff, with full cost recovery from the property owner.

Through the review of servicing requirements, existing site conditions, and proximity of critical municipal infrastructure, Environmental Services staff have indicated that the work should be completed by external forces under the administration of City staff.

Given the scale of site servicing work and the associated estimated budget, the work cannot be completed through an operating account and must be completed as a capital project in accordance with the City's Budget Control By-law. With this new capital project request occurring outside of the regular budget approval process, Council approval is required.

Following approval of the project, the City would retain a contractor to complete the site servicing works through the appropriate procurement process with overall management through Development Engineering and Environmental Services divisions.

Approval of a new capital project allows the staging of development to continue as per the property owner's timeline. If the project was not approved at this time, it could be included for consideration as part of the 2025 budget approval process, which would delay the installation of the services.

EXISTING POLICY / BY-LAW(S):

The City's Tangible Capital Asset Policy indicates capitalization of works exceeding \$50,000. The estimate for these works meets the criteria for capitalization and as such, they are being completed as a capital project.

FINANCIAL IMPACT:

An estimated budget of \$687,500 has been established for the installation of site services.

A Financial Agreement between the City and the owner will be executed outlining the obligations of both parties regarding design, procurement, and construction and confirming all costs are the responsibility of the owner.

The property owner is required to provide a deposit or Letter of Credit, to the satisfaction of the Chief Financial Officer, in the full amount of the estimated budget prior to the City proceeding with the project. Following completion of the works, refunds and/or invoices will be completed to reflect the actual cost of the works. The full cost of the works will be recovered from the property owner with no impact to City finances.

PUBLIC VALUE:

This project supports the public value principle of sustainability by ensuring infrastructure costs for development are paid for by development.

ADVISORY COMMITTEE INPUT:

Advisory Committees Consulted:

Not Applicable.

PUBLIC INPUT:

Posted publicly as part of the report process.

INTERNAL / EXTERNAL CONSULTATION:

Engineering and Environmental Services staff were consulted with regards to completing the installation of the municipal services.

No external consultation was undertaken.

CONCLUSION:

Approval of this capital project request outside of the regular budget approval process will allow the development at 85 Boxwood Drive site to continue. With the costs of this project to be fully recovered from the property owner there is no impact to the City's budget.

REPORT IMPACTS:

Agreement: **Yes**

By-law: **No**

Budget Amendment: **No**

Policy: **No**

APPROVALS:

This report has gone through the appropriate workflow and has been reviewed and or approved by the following as required:

Director

Deputy City Manager

Chief Financial Officer

City Solicitor

City Manager

ATTACHMENTS:

None