
TO: GENERAL COMMITTEE

SUBJECT: MAPLEVIEW DRIVE EAST NEW TRANSMISSION WATERMAIN - YONGE TO ROYAL JUBILEE

WARD: 9

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GENERAL MANAGER APPROVAL: A. MILLER, RPP
GENERAL MANAGER OF INFRASTRUCTURE AND GROWTH MANAGEMENT

CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the approved budget for project EN1291 (Mapleview Drive East New Transmission Watermain - Yonge to Royal Jubilee) be increased by \$1,716,343 for a total approved budget of \$5,086,343 with the increase to be funded from development charge credits through a Development Charge Credit Agreement.
2. That the Mayor and City Clerk be authorized to execute all associated and required agreements, amendments, and other documents necessary in a form approved by the Director of Engineering, Director of Finance, and Director of Legal Services.

PURPOSE & BACKGROUND

3. The purpose of this Staff Report is to obtain authority to increase the approved budget for project EN1291 (Mapleview Drive East New Transmission Watermain - Yonge to Royal Jubilee).
4. Aggregate funding requirements that exceed the lesser of 10% of the capital project's approved budget or \$500,000 require Council approval in accordance with the Capital Project Financial Control Policy contained within Policy # FIN-017-101 Financial Policies Framework.
5. The Project entails construction of a transmission watermain along Mapleview Drive East from Royal Jubilee Drive to Yonge Street (hereinafter the "Project"). Detailed design of the Project has been completed by the landowners and accepted by the City.
6. On June 7, 2019 Council authorized the General Manager of Infrastructure and Growth Management to complete a Development Charge Credit Agreement wherein the Hewitt's Creek Landowners Group, the Salem Landowners Group (collectively, the "Landowners Groups") and the City agree to the details of the landowners commitments to complete the Project in a form approved by the Director of Legal Services, the Director of Engineering, and the Director of Finance and Treasurer.
7. On June 7, 2019 Council authorized the Mayor and City Clerk be authorized to execute a Development Charge Credit Agreement for the Project with the Landowners Groups and a joint Trustee.

8. On June 7, 2019 Council approved the Project budget be increased by \$697,400.00 to \$3,370,000.00 with funding to be paid for by the Landowners Groups in exchange for Development Charge Credits.
9. The Project is initially being funded and built by the Landowners Groups in exchange for Development Charge Credits, as was the basis of the signed 2014 Memorandum of Understanding. The landowners through their consultants are responsible for procuring the appropriate contractors to complete the work. The Landowners Groups design consultant has advised the City that the work cannot be completed within the approved budget.
10. The Project is integral infrastructure for providing domestic water supply and fire suppression for the Hewitt's and Salem Secondary Plan areas, and providing redundancy to existing communities in the east end of Barrie along the Mapleview Drive corridor. The Project completes a transmission loop between projects that have been completed recently or are nearing completion, both on the east and west connection points.
11. The route of the watermain was modified at the request of the Landowners Groups and supported by City staff, to facilitate the early design and construction of the Project. The Project was originally proposed to be constructed with the road improvements starting in 2023.
12. The modified routing of this watermain will avoid conflict with the future road improvements and grade separation at the rail crossing along Mapleview Drive.
13. The Project will be constructed in two phases as follows:
 - a. Phase 1 of the Project will connect to an existing stub at Sun King Crescent & Royal Jubilee Drive, and extend the main westward along Mapleview Drive, crossing Hewitt's Creek, and extending as far west as future Kneeshaw (currently within land owned and being developed by Crisdawn Construction). The alignment of Phase 1 of the Project then follows the Kneeshaw right of way (ROW).
 - b. Phase 2 of the Project includes a bend westward from Kneeshaw before crossing the Metrolinx rail line, extending west to Yonge Street, north on Yonge Street, and tying into the Mapleview transmission main just west of Yonge Street.
14. There are a number of developments in Phase 1 of Hewitt's Secondary Plan that are reliant on completion of the Project for building permits in early 2020, as per Draft Plan conditions on lands where Draft Plan approvals have been granted. Therefore, it is critical to these landowners that construction commences as soon as possible.
15. The Project will be located within the road pavement in several locations on Mapleview Drive and at these locations a full closure of the road will be required during construction.
16. The Landowners Groups are aiming to complete the section within the Mapleview Drive ROW before the end of 2019.
17. The circuitous routing of this watermain is to avoid conflict with the grade separation project along Mapleview Drive that is currently in the design stage with construction planned to commence in 2023.

ANALYSIS

18. The Development Charge Credit Agreement was drafted between the group trustees and City legal counsel, and subject to minor revision, is ready for execution.

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19. Possible reasons for the additional costs to complete the project of \$1.7M include the following:
- a. The estimate provided in April by the Landowners Groups was based on 50% design and certain design details related to trenchless crossings including the railway crossing, watermain appurtenances, and other features, including the watermain route changed as the design progressed to 100%.
 - b. Availability of contractors to undertake the work and meet the schedule with current obligations.
 - c. Limited availability of sub-contractors for specialized items such as the trenchless crossing of Hewitt's Creek, and the Metrolinx rail crossing.
 - d. The number of tenders for construction is higher in 2019 in the local market. Many local infrastructure projects have been released for tender including by Simcoe County and the Town of Innisfil for servicing and road infrastructure projects.
 - e. The higher volume of construction work and new tenders in the Greater Toronto Area in 2019.
 - f. Underestimation of the costs of some of the contract items by the Landowners' Design Consultant.
 - g. Supply costs for particular items such as valve chambers appear to be higher than seen previously on similar projects.
20. The City of Barrie staff will review the costs apportioned to the watermain to ensure that the apportionment of the costs are appropriate. This will be undertaken after the tender has been awarded by the Landowners Groups.

ENVIRONMENTAL MATTERS

21. There are no environmental matters related to the recommendations.

ALTERNATIVE

22. The following alternative is available for consideration by General Committee:

Alternative #1 General Committee could choose not to approve the recommended motion to increase the budget.

This alternative is not recommended as the agreement implements provisions in the MOU whereby the Landowners Groups agreed to pay the costs associated with developer build projects identified in the IIP. This is an important step in implementing the vision that Council approved for the Secondary Plan areas.

FINANCIAL

23. The Project is included in the 2019-2028 approved Capital Plan. The total budget for all phases of the Project is \$3,370,000. A total project budget of \$5,086,343 is required to cover the remaining costs. This includes 5% contingencies and engineering services during construction by the Landowners Groups Consultants. The current and proposed funding plan for the project is as follows:

| Funding Source | Current | Proposed | Change |
|--|--------------------|--------------------|--------------------|
| Developer Front Ending (Annex) – Developer Build | \$3,370,000 | \$5,086,343 | \$1,716,343 |
| Total | \$3,370,000 | \$5,086,343 | \$1,716,343 |

In exchange for building and financing this project, the landowners receive development charge credits.

24. As described in the City's 2019 Business Plan and Budget, the City of Barrie's Development Charge (DC) reserves are overcommitted for the next few years. As a result of the negative DC reserves, the City must ensure that overall reserves are positive to fund such shortfalls. Through the upcoming 2020 Business Plan and budget process, staff will be presenting updated forecasted information with recommendations on future capital projects.

LINKAGE TO 2018-2022 STRATEGIC PLAN

25. The recommendation included in this Staff Report support the following goals identified in the 2018 - 2022 City Council Strategic Plan:
- Building Strong Neighbourhoods
29. An important cornerstone of the City's growth management program is the implementation of the land use and servicing plans for the Secondary Plan Areas. The MOU provides a framework for this process. In accordance with the Development Charge Credit Agreement with the Landowners Groups the construction of this watermain is necessary in order to advance the servicing identified in the approved Infrastructure Implementation Plan to service the new growth areas.