



Report to: Development Services Committee

Meeting Date: January 23, 2024

SUBJECT: Main Street Unionville – Project Budget Update, Ward 3

PREPARED BY: Nehal Azmy, Capital Works Engineer, Ext. 2197
Alain Cachola, Senior Manager, Infrastructure and Capital
Projects, Ext. 2711

RECOMMENDATION:

1. That the report entitled “Main Street Unionville – Project Budget Update, Ward 3, be received; and,
2. That the Engineering Capital Account # 083-5350-22338-005 (Main Street Unionville Reconstruction) be increased from \$11,823,000 to \$14,721,034, to include the scope adjustment, as identified in this report in the amount of \$2,898,034, inclusive of HST, to be funded from the following sources:
 - a. Life Cycle Fund - \$328,307
 - b. Waterworks Reserve - \$529,478
 - c. Other - \$2,040,249 (to be confirmed in the future by staff)
3. That staff report back on the funding approach to address the project budget increase; and,
4. That the Mayor and Clerk be authorized to execute an agreement with York Region to govern cost sharing for the Regional watermain replacement on Carlton Road, provided that the form of such agreement is satisfactory to the Director of Engineering and the City Solicitor; and,
5. That the Director of Engineering be authorized to execute agreements with telecommunication companies and other parties with a statutory right to install infrastructure in the Main Street Unionville (“Utilities”) for the cost sharing of utility ducts installation and the disposition of utility ducts and vaults to such Utilities, provided that the form of such agreements are satisfactory to the Commissioner of Development Services and the City Solicitor; and,
6. That the Director of Operation be authorized to execute agreements with Telecommunication companies for future sells of provisional ducts and vaults, provided that the form of such agreements are satisfactory to the Commissioner of Community Services and the City Solicitor; and,
7. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to obtain Council’s approval to increase the project construction budget from \$11,823,000 to \$14,721,034, from the funding sources noted in this report. The report is also seeking to obtain Council’s authorization on the execution of agreements with York Region and the Utility companies.

BACKGROUND:

On March 8, 2022, Council endorsed the Main Street Unionville Commercial Core Streetscape Master Plan Study and the capital budget for the Main Street Unionville Revitalization Project (the “Project”) with an estimated Capital Cost of \$10,460,000. The proposed project limits are from the railway tracks to Carlton Road including the road allowance located to the east of Main Street. Refer to Attachment ‘A’ for Project location map.

On February 8, 2023, Council approved the capital budget adjustment to accommodate additional scope changes in the amount of \$1,363,000. The details of the additional scope for the project are shown in the Financial Consideration Section of this report.

The City’s design consultant, CIMA Canada (Consultant) has achieved the 90% design milestone and provided an updated cost estimate. The detailed design for the project and the tender documents are scheduled to be completed by early February 2024.

DISCUSSION:Updated Cost Estimate:

In addition to the revised cost estimate, received as part of the 90% detailed design submission, staff worked with the Consultant to identify the optimal construction staging strategy that would minimize the impact to the businesses and residents, while considering the cost effectiveness of the project. In consultation with all stakeholders, staff finalized the staging and traffic restriction strategy for the project. The cost estimate was finalized using the optimal construction staging and the Consultant has confirmed that the estimated costs are aligned with current industry pricing and the proposed project schedule.

Based on the updated construction cost estimates, the revised total capital budget to complete the project is estimated at **\$14,721,034**. The budget increase is due to a number of factors such as streetscape enhancements, Wi-Fi initiatives, inflationary and supply chain increases as well as premiums related to traffic staging and access restrictions. The funding shortfall is summarized in the Financial Considerations section of the report.

Available Funding Sources to Address Funding Shortfall:

Following confirmation of the latest cost estimate, staff from Engineering, Finance and Environmental Services reviewed the additional funding requirements. See the Financial Considerations section for staff analysis.

York Region Works (Watermain)

The project scope of work includes the replacement of the regional watermain on Carlton Road from Main Street Unionville to East Lane that is currently owned by York Region. The watermain replacement is required to accommodate future development in Markham Centre and is proposed to be accelerated as part of the Main Street Revitalization Project. As York Region has agreed to fund the watermain replacement, the City and the Region will need to enter into an agreement for the cost sharing of the design and construction costs of the watermain replacement, as well as associated fees.

Utility Companies (Duct Structures)

In order to accommodate the immediate need of Utilities to install new infrastructure and to reduce future disruption on Main Street Unionville after the construction work to the most possible, an underground trench housing five utility ducts (three on the east side and two in the west side) will be incorporated into the design of the Project. The City has been coordinating with three Utility companies (Bell Canada, CIK Telecom and Rogers) regarding their future infrastructure needs and they have confirmed that they will cost share in the design and construction of the utility ducts and vaults and provided feedback on the design of the proposed ducts and vaults to be installed as part of the Project for future use. The City will need to enter into agreements with these Utilities to set out their responsibility for the design and construction costs, and to convey ownership of the ducts after completion.

In addition, two provisional ducts and vaults will be installed on both sides of the street to be owned by the City for future sale to interested telecom companies in future.

Project Schedule

On October 2, 2023, the Consultant completed the 90% detailed design in accordance to the recommendation of the Main Street Unionville Commercial Core Streetscape Master Plan Study.

The scope of work adjustment items proposed for the project and the proposed staging strategy in consultation with all the stakeholders resulted in revisions to the project schedule as follows:

- 100% design, pre-tender – Early February 2024
- RFP issuance for Contract Administration (CA), Inspection and Field Ambassador Services – End of February 2024
- Tender issuance – End of February 2024
- Tender award – April/May 2024
- Award CA, Inspection and Field Ambassador Services – April/May 2024
- Construction commencement – August 2024
- Construction completion – December 2025

FINANCIAL CONSIDERATIONS

Current Project Budget

The details of current project budget are summarized in Table 1.

Table 1- Current Project Budget

Date	Amount	Scope
March 8, 2022 Project Budget	\$10,460,000	<ul style="list-style-type: none"> – Modified Right of Way – Two Way Traffic for Main Street Unionville and the East Lane – Lane parking and landscape improvements, as outlined in the Master Plan Study – Streetlight replacement from Highway 7 to the railway tracks – Enhanced Streetscape Treatment with brick pavers

February 8, 2023 Additional Scope Increase	\$1,363,000	<ul style="list-style-type: none"> – New pathway connection to Rouge Valley Trail – Victoria Avenue flooding issues and sidewalk works – Fred Varley Drive - Replacement of decorative streetlight – Cured-in-place pipe lining of 85 m of 400mm watermain – Cured-in-place pipe lining of additional 217 m of storm sewer – Replacement of existing trees on south boulevard Carlton Road – Top of Stairs (adjacent to #177 Main Street) – Replacement of pavers from gazebo easterly on Victoria Ave – Regional watermain replacement upsize
<i>Current Project Budget</i>	<i>\$11,823,000</i>	

Funding for the current project budget of \$11,823,000 is available and has already been incorporated as part of previous budget processes.

Cost Increase Summary

The details of the factors resulting in the cost increase, totaling in a shortfall of \$2,898,034 are shown in Table 2

Table 2 – Cost Estimate Increase Summary *

Current Approved Budget	\$11,823,000	Approval on March 8, 2022 and February 8, 2023
Roads / Streetscape	(\$1,085,991)	- Full impact of staging and restricted access of the area. Updated pricing for concrete road base and brick pavers.
Watermain	(\$399,478)	- CIPP Lining of watermain. Increased cost for item revisions & unit cost revisions.
Streetlights	(\$827,408)	<ul style="list-style-type: none"> - Additional six (6) lights on East Lane - Removals and additional duct quantity; subsurface installation of duct for crossing on south portion - Addition of 2 plugs on each pole for north portion - Lighting on Carlton Road West
Wi-Fi	(\$230,157)	- Incorporate Wi-Fi technology to support the Digital Markham initiative
<i>Premiums</i>		
Carlton-Accelerate (Night)	(\$125,000)	- Premium to expedite work
MSU WM - Accelerate (Traffic Control)	(\$130,000)	- Premium to expedite work

Winter premium	(\$100,000)	- Premium for winter work
Total Shortfall	(\$2,898,034)	
Total Required Budget	\$14,721,034	24.5% increase from current budget <ul style="list-style-type: none"> 15% due to inflationary & supply chain increases as well as premium's related to traffic staging /restrictions; and 9% streetscape enhancements and Wi-Fi initiatives

**Cost estimates include the construction costs. All costs including contingency, design, contract admin and Engineering Fees.*

Funding Sources to cover the capital budget shortfall

Staff recommends the following funding sources to cover the capital budget shortfall.

Table 3 - Funding Sources

Funding Shortfall	(\$2,898,034)
Funding Sources	
Life Cycle	\$328,307
Waterworks	\$529,478
Other	\$2,040,249

Funding from Life Cycle and Waterworks can be advanced to support planned roads, streetlights and watermain projects that will be realigned as part of the Main Street Unionville revitalization project. The approach to address the balance of the budget shortfall will be confirmed in the future, and may require prioritization and tradeoffs between capital projects as part of future budget processes and leveraging external funding. Staff are regularly seeking grant funding opportunities initiated by government granting agencies

Table 4 provides a summary of the total project cost and the comparison between the original cost estimate and revised cost estimate as a result of the recommended scope adjustment in the total amount **\$2,898,034**.

Table 4 – Overall Project Cost (Account 22338)

Funding Source	Approved Budget	Scope Adjustment	Total Budget
Life Cycle	\$956,700	\$328,307	\$1,285,007
Waterworks Reserve	\$438,500	\$529,478	\$967,978
Development Charge / CBC / Tax	\$86,600		\$86,600
Stormwater Fee	\$1,540,000		\$1,540,000
Utility Share	\$415,000		\$415,000
Tax / CCBF	\$6,716,700		\$6,716,700
Non-DC Growth	\$795,000		\$795,000
York Region	\$833,500		\$833,500

Private Property	\$41,000		\$41,000
Other		\$2,040,249	\$2,040,249
Total:	\$11,823,000	\$2,898,034	\$14,721,034

These remain cost estimates and are subject to change, pending the outcome of the procurement process.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The work adjustment for the Main Street Unionville Revitalization is based on the recommendation of the approved Main Street Unionville Commercial Core Streetscape Master Plan and subsequent decisions by Council on design matters. The recommendations align with the City's Strategic Plan goals of "Safe & Sustainable Community" and "Stewardship of Money & Resources".

BUSINESS UNITS CONSULTED AND AFFECTED:

The Finance, Operations, Environmental Services, Heritage Planning, Legal and IT Departments were consulted and their comments have been addressed in this report.

RECOMMENDED BY:

Frank Clarizio, P. Eng.
Director of Engineering

Arvin Prasad, MCIP, RPP
Commissioner, Development Services

ATTACHMENTS:

Attachment 'A' – Main Street Unionville Project Location Map

Attachment A – Main Street Unionville Revitalization Project

Location Map

