



City of Markham

Cornell Community Park – Lessons Learned Review

April 1, 2025



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Introduction - Background & Objective



Background

- Cornell Community Park is a 13.67 hectare (33.78 acre) parcel of land located north-east of Highway 7 and 9th Line at the north-east corner of Riverlands Ave. and Cornell Centre Blvd.
- The Park Project was a major undertaking spanning over a decade to complete, with initial planning started in 2014 leading to the Park's opening in 2023, later than its original October 2021 planned opening.
- During the early stages of planning, the Project experienced challenges and encountered considerable delays.
- Consequently, the City undertook this lessons-learned review in order to understand root causes for budget and cost changes, schedule delays and to mitigate the effects of these challenges today and across future projects.

Objective

- The objective of this review was to evaluate project management processes utilized on the Project to identify root cause factors associated with efficiency and effectiveness of end-to-end Project delivery, and ongoing Park maintenance and renewal, and to provide recommendations for planning and management of projects in the future, including opportunities to achieve better value for money outcomes.

Introduction - Scope

Scope

The engagement focused on reviewing the following areas:

- 1. Pre-Feasibility/Feasibility and Concept Planning**
- 2. Resource Allocation and Commitment**
- 3. Procurement and Contractor Selection**
- 4. Contract Management**
- 5. Commission and Turnover**
- 6. Maintenance**



Summary of Strengths



Area	Strengths
On Budget Project Delivery	Despite a decade of planning, design, and construction, the Project was completed within the original budget of \$12.5 million identified in November 2014. As of late 2024, the total project cost, including additional closeout payments to the design and construction firms, was approximately \$11.6 million – 7% less than the budget estimated over a decade ago.
Coordination between Design, Construction and Operations	Parks Operations staff were involved at all stages of the Project planning, conceptual design, construction and ultimately assumption of the Park's operation. This ensured that operational considerations were appropriately reflected in design decisions to ensure an optimal balance between capital and operating cost.
Well Documented Decisions and Project Records	There were detailed and extensive volumes of project documentation that covered the entire Project lifecycle from original planning, design, construction, occupancy and operations. These comprehensive Project records provided transparency of decision making, use of funds, procurement, rationale for changes and appropriate use of delegation of authority.
Effective Oversight during Warranty Period	The construction contract for the Project includes a two-year warranty on all Park elements. During this warranty period, a decision was made for the City's Planning and Urban Design Department to administer the warranty (identify deficiencies, ensure repairs and replacement), rather than immediately transferring this role to Operations. This ensured that the Project Team who tendered and managed construction (i.e., those most familiar with the Park) continued their oversight relationship with the contractor throughout the warranty period. This approach ensured effective oversight and maximized contractor performance and accountability.
Effective Project Management during Construction Phase	There is evidence that the City applied strong project management tools and processes during the construction phase of the Project, including the following leading practices: 1) Work plans broken into detailed phases with clearly defined tasks, deliverables, and milestones; 2) Phased design iterations (30%, 75%, and 90%) to ensure progressive refinement and stakeholder involvement; 3) Clear scheduling of milestones (e.g., substantial completion, total completion, and warranty periods) allowing for structured progress tracking and accountability; 4) Comprehensive scheduling and quality oversight; 5) Regular progress updates, and site inspection; and, 6) Clear documentation of decisions, approvals and any Project changes.

Summary of Observations, Recommendations and Management Responses



Note: The Project was a major undertaking spanning over a decade to complete. Some of the observations listed below occurred many years ago, and since that time staff have implemented improvements to processes and procedures, based on lessons learned from these early setbacks. Accordingly, **all of the observations are rated as “low” priority**, because in most cases, management has already taken sufficient action to address the concerns that were identified during the course of this review.

#	Observations	Recommendations	Management Responses
1	<p><u>Soil Quality and Illegal Dumping Concerns</u></p> <p>The Park property was acquired during the development of the Cornell Community. However, prior to development, the City needed to address significant concerns about the condition of the property which delayed the start of construction. The Developer's failure to deliver an adequately prepared flat surface of land, with good quality topsoil, compounded by subsequent illegal dumping, led to significant Project delays and additional costs.</p>	<p>Any park land transferred to the City should be in an appropriate condition to facilitate development, including a flat surface and suitable soil quality.</p> <p>Steps should be taken to ensure that land being held for future parks development is monitored to prevent illegal dumping or trespassing.</p> <p>We note that staff are well-aware of these concerns and now use legal developer agreements to ensure that any parkland transferred to the City is in “development ready” condition.</p>	<p>Parks Development (“PD”) Staff agree with this observation and recommendation.</p> <p>Our current park development processes and standard agreement clauses, in combination with the application of new provincial legislation (O. Reg. 406/19 “On-Site and Excess Soil Management”) significantly mitigate the risk of a similar issue with soil quality and illegal dumping occurring.</p> <p>PD Staff are of the opinion that this item has been addressed and do not anticipate further challenges of this nature with future capital park planning.</p>

Summary of Observations, Recommendations and Management Responses



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2	<p><u>Approval of Minor Cost Increases that are within Originally Approved Capital Budget</u></p> <p>The Park’s 2020 total cost of award (tender price, plus contingency, internal fee, and HST) of \$10.35 million was significantly lower than the approved budget of \$13.56 million. Budget Policy required that the remaining unspent budget (\$3.21 million) be returned to the original funding source.</p> <p>In the event that additional expenses are required beyond the \$10.35 million cost, a purchase order adjustment form is utilized to facilitate approvals from the Director, CAO or Council, depending on the dollar value. This approval process applies, even if the additional amount requested increases total cost to an amount that is still less than the originally approved budget.</p> <p>This process can be lengthy and administratively cumbersome to approve additional funding requests that are well within the originally approved budget.</p>	<p>Investigate opportunities to simplify and streamline the approval of funding adjustments in cases where changes are small, and if approved, the cost is still within the originally approved budget.</p> <p>Streamlining this process by establishing pre-approved conditions or expedited protocols for additional funding would prevent delays and ensure timely access to resources when needed for unforeseen, but justifiable cost increases.</p>	<p>PD Staff agree with this observation and recommendation.</p> <p>In November 2024, the Finance Department made changes to the Expenditure Control Policy to greatly mitigate this observation. The changes are aligned with the recommendation to streamline and delegate the decision-making authority to those staff closest to the pertinent information while balancing the changes with appropriate financial management measures.</p> <p>PD Staff are of the opinion that this item has been largely addressed with the November 2024 revisions to the Expenditure Control Policy and look forward to participating in future reviews for opportunities to streamline.</p>

Summary of Observations, Recommendations and Management Responses



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3	<p><u>Difficulty Understanding Project Budgets Over Time</u></p> <p>The Project's lifecycle spanned a full decade and included numerous reports on status, and anticipated project costs. When these reports were chronically sequenced there were variations in how costs were reported making it challenging to understand and track project budgets over time.</p>	<p>Guidelines should be developed to standardize the preparation and presentation of capital project budgets to ensure comparability of capital budget and expenditure reporting over time, and consistency in how contingencies, internal fees and additional costs are reported.</p>	<p>PD Staff agree with this observation and recommendation.</p> <p>Since 2019, PD Staff have worked closely with our Finance Department, seeking consistency and accuracy in our communications and reporting.</p> <p>PD Staff are of the opinion that this item has been largely addressed through our strong working relationship with the Finance Department and our consistent participation in and application of their standard communication and reporting processes.</p>

Summary of Observations, Recommendations and Management Responses



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4	<p><u>Lack of an Overall Project Charter</u></p> <p>No Project Charter was prepared at the beginning of the Project. Workplans (tasks and schedule) were prepared by the design and construction contractors, but these were missing elements of a broader Project Charter.</p> <p>It is noted that, despite not having a Project Charter, the City applied strong project management tools and processes. To a significant extent, these project management activities helped to mitigate the risks of not having a Project Charter.</p>	<p>During the start-up phase of significant new parks development projects, a Project Charter should be prepared to clearly define, at a minimum, the scope, objectives, roles, authorities, budget parameters, communications, risk and change management protocols.</p>	<p>PD Staff agree with this observation and recommendation.</p> <p>PD Staff will develop Project Charters for significant new park development projects going forward. This will formally summarize the range of project management tools currently utilized.</p> <p>Project Charters will be developed on significant new park development projects approved as part of the 2026 Capital Budget.</p>

Summary of Observations, Recommendations and Management Responses



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5	<p><u>Accessibility Requirements Not Reflected in Original Design</u></p> <p>In the initial 2016 design for the Park, it is noted that accessibility requirements of the Province's AODA Design of Public Spaces standards were not accounted for. The Design of Public Spaces regulation (approved on January 1, 2013) includes requirements for accessible playground surfaces, ramps and slopes, and accessible trails, parking and seating. Incorporating these requirements in subsequent designs for the Park resulted in design revisions and increases to the Project's budget.</p>	<p>When preparing initial designs and cost estimates for new community parks, current standards and regulatory requirements should be understood and complied with.</p> <p>We note that staff have developed a strong knowledge of AODA regulations for Public Spaces, and these requirements are routinely reflected in the planning, design and construction of new park facilities.</p>	<p>PD Staff agree with this observation and recommendation.</p> <p>Accessibility, and all related regulatory requirements and standards are one of the few primary considerations (public safety being the other) for our staff when designing parks.</p> <p>In 2019, PD staff had initiated a strong working relationship with the Accessibility Advisory Committee prior to Covid 19 and continue this relationship today with the Accessibility Advisory Committee through a strong collaboration with the City's new Accessibility Consultant.</p> <p>PD Staff are of the opinion that this item has been addressed and are committed to staying up to date with and applying standards and regulatory requirements related to Accessibility.</p>

Summary of Observations, Recommendations and Management Responses



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6	<p><u>Misleading Operating Cost Estimates</u></p> <p>The initial operating cost estimate for the Park was based on an area-based funding model, calculated at \$8,584 per hectare in 2017, resulting in an annual operating cost estimate of \$117,343. By 2021, this estimate was revised to \$9,174 per hectare or \$125,409 annually.</p> <p>This estimation methodology is misleading as it assumes an “average” cost across all City parks, and fails to recognize that for a community park, such as Cornell Community Park, there is a more enhanced (and expensive) range and concentration of recreational amenities.</p> <p>In 2023, staff prepared a revised calculation using an amenity-based funding model which estimated the park’s annual operating cost to be \$252,318 – double the original estimates – reflecting the Park's distinct features and higher maintenance demands.</p>	<p>When estimating operating costs for community parks, an amenity-based costing model should be used instead of an area-wide average costing model.</p> <p>We note that staff are well aware of this concern and have already increased the use of amenity-based costing models for non-typical park facilities.</p>	<p>PD Staff agree with this observation and recommendation.</p> <p>PD Staff will continue to engage with the Finance and Park Operations Teams to further formalize procedures for the application of amenity-based operating estimates for application to non-typical park facilities.</p> <p>This item is ongoing, and PD staff are committed to developing a consensus approach with the Finance and Park Operations teams for application to projects included in the 2026 Capital Budget Process.</p>

Summary of Observations, Recommendations and Management Responses



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7	<p><u>Absence of Park Development Team between 2014 to 2019</u></p> <p>When the Project was initially kicked off (in 2014), the City did not have a dedicated organizational unit that specialized in park planning, design and construction. As a result, staff overseeing the Project lacked some of the specialized knowledge and experience needed to effectively plan and manage a complex Project, explaining some of the challenges and delays encountered during the Park's first few years of planning.</p> <p>In 2019, specialized expertise in parks planning, design and construction was added to the Project Team which helped bring the Project back on track, finalize the design, and complete a successful construction tender in 2020.</p>	<p>When commencing complex development projects, identification and acquiring of any specialized knowledge and expertise should be completed early to successfully plan and implement the project.</p> <p>It is recognized that the City now has in-house capabilities in parks planning, design and construction.</p>	<p>PD Staff agree with this observation and recommendation.</p> <p>Since that time, the City has established the PD Team comprised of staff with a range of roles, skillsets and expertise that is generally organized to meet the range of demands and challenges required to successfully deliver a predictable Parks Development Portfolio.</p> <p>PD Staff are of the opinion that this item has been mostly addressed and will continue to monitor and communicate resource requirements to ensure effective delivery of the Parks Development Portfolio.</p>

Recommendation

The Auditor General recommends that:

- The Cornell Park Lessons Learned Review Presentation be received.

Q&A

