



Report to: Development Services Committee

Report Date: December 9, 2014

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**SUBJECT:** Municipal Roads for Southeast Community Centre & Park

**PREPARED BY:** Brian Lee, Senior Manager, Special Projects, ext. 4838  
Sepideh Majdi, Senior Engineer, Special Projects, ext.2414

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**RECOMMENDATION:**

- 1) That the report titled "Municipal Roads for Southeast Community Centre & Park" dated December 9, 2014, be received; and,
- 2) That the extension of the Phase 2 municipal roads immediately south and east of the Park complex with a signalized intersection at 14<sup>th</sup> Avenue (see Attachment 'A') be approved; and,
- 3) That the Class Environmental Assessment study (EA) cost for Phase 1 and Phase 2 municipal roads, in the estimated amount of \$45,739.20 be approved and that approximately 55% be recovered when the adjacent lands are developed by Neamsby Investments Inc.; and,
- 4) That the design cost for Phase 1 and Phase 2 municipal roads in the estimated amount of \$267,000.00 be approved and that approximately 55% be recovered when the adjacent lands are developed by Neamsby Investments Inc. as outlined in the Council resolution dated June 17, 2013 (see Attachment 'B'); and,
- 5) That the construction cost for Phase 1 and Phase 2 municipal roads, in the estimated amount of \$3,929,800.30 be approved and that approximately 55% is to be recovered when the adjacent lands are developed by Neamsby Investments Inc. as outlined in the Council resolution dated June 17, 2013 (see Attachment 'B'); and,
- 6) That the EA and design cost for Phase 1 and Phase 2 municipal roads in the estimated amount of \$312,739.20 (\$45,739.20 + \$267,000.00) be upfront financed by the City from account number 083-5350-14050-005 "E/W Municipal Rd. South of 14<sup>th</sup>. Middlefield to 270m E", which has a budget available of \$228,500.00; and,
- 7) That the shortfall amount of \$84,239.20 for EA and design and the construction cost of \$3,929,800.30 (total of \$4,014,039.50) is to be funded through a 2015 Capital budget submission, subject to Council approval; and,
- 8) That Council authorize the Mayor and Clerk to execute a construction agreement(s) with Neamsby Investments Inc. in a form satisfactory to the City Solicitor and the Chief Administrative Officer for the construction of the Phase 2 municipal road; and,

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- 9) That the tendering process for Phase 2 be waived in accordance with Purchasing By-Law 2004-341, Part II, Section 7 Non Competitive Procurement, item 1 (g) which permits a non-competitive procurement process where it is in the City's best interest, for Neamsby Investments Inc. to award the project to consultants and a general contractor, provided it can be demonstrated to the satisfaction of the Director of Engineering that the overall cost to construct the municipal roads is competitive; and,
  - 10) That the Engineering Department be authorized to provide contract administration services for the Phases 1 and 2 road construction if required by Director of Engineering subject to 2015 Engineering Department Capital budget approval in recommendation 7; and,
  - 11) That The Region of York be requested to fund the signalization of the 14<sup>th</sup> Avenue and north/ south road intersection; and,
  - 12) 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 seek Council's authorization for the following:

- For the environmental assessment, design and construction of the Phase 2 municipal road to service the Southeast Community Centre & Library and Park complex, where Phase 1 has already been approved; and,
- To enter into an agreement with Neamsby for the EA, design and construction of the Phase 2 municipal road; with subsequent recovery of approximately 55% of the cost of the subject roads from Neamsby Investments Inc. upon the development of the adjacent lands, in accordance with the principles in the June 17, 2013 Council resolution; and,
- That the EA and design cost for Phase 1 and Phase 2 municipal roads in the estimated amount of \$312,739.20 (\$45,739.20 + \$267,000.00) be upfront financed by the City from account number 083-5350-14050-005 "E/W Municipal Rd. South of 14<sup>th</sup>. Middlefield to 270m E", which has a budget available of \$228,500.00; and,
- That the construction cost for Phase 1 and Phase 2 municipal roads, in the estimated amount of \$3,929,800.30 be approved and that approximately 55% is to be recovered when the adjacent lands are developed by Neamsby Investments Inc. as outline in the Council resolution dated June 17, 2013 (see Attachment 'B'); and,
- That the shortfall amount of \$84,239.20 for EA and design and the construction cost of \$3,929,800.30 (total of \$4,014,039.50) is to be funded through a 2015 Capital budget submission, subject to Council approval; and,
- Request the Region of York to fund the 14<sup>th</sup> Avenue and north/south road intersection (see Attachment 'A').

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**BACKGROUND:**

At its meeting on May 15, 2013, General Committee directed staff to construct a portion of the East/West Municipal Roads east of Middlefield Road (Phase 1) to provide vehicular and pedestrian access to the South East Community Centre and Library (SECCL). Council approved that the design and construction of the road be delivered by Neamsby Investments Inc. (Neamsby) subject to the City upfronting 100% of the project cost. The City will be reimbursed by Neamsby Investments Inc. for fifty percent (50%) of the total cost of design and construction the Phase 1 and one hundred percent (100%) of the costs associated with the installation and construction of landscaping, sidewalks and underground servicing, on, within, adjacent and/ or under the Phase 1. The total reimbursement to the City by Neamsby Investments Inc. will be approximately fifty five percent (55%) of the total cost and will be a condition of any development approval for its lands to the south and east of the Southeast Community Centre site as per the attached June 17, 2013 Council resolution(see Attachment 'B'). The Community Centre is currently under construction and is scheduled to be completed in Fall 2015.

At the September 15, 2014 General Committee, the City Architect presented an overview of the proposed Park east of the SECCL and the need to extend the road north to 14<sup>th</sup> Avenue (Phase 2).

The Municipal Class Environmental Assessment process requires an Environmental Assessment (EA) study for the Phase 1 and Phase 2 roads. In order to meet the Community Centre opening date (Fall 2015), the EA study will be done concurrent with the design.

**OPTIONS/ DISCUSSION:****Approved Portion of Municipal Road (Phase 1)**

As per the June 17, 2013 Council resolution, the Mayor and Clerk were authorized to execute a construction agreement with Neamsby Investments Inc. to design and construct the Phase 1 municipal road (see Attachment 'B').

The construction agreement for the Phase 1 and Phase 2 roads is to include the following principles:

- Neamsby Investments Inc. will design and construct the Phase 1 municipal road to the satisfaction of the Director of Engineering.
- City will upfront 100% of the project cost of the Phase 1 municipal road, sufficient to provide access to the SECCL.
- City will be reimbursed by Neamsby Investments Inc. for fifty percent (50%) of the total cost of design and construction the Phase 1 and Phase 2 roads and all one hundred percent (100%) of the costs associated with the installation and construction of landscaping, sidewalks and underground servicing, on, within, adjacent and/ or under the Phase 1 and Phase 2 roads. The total reimbursement by Neamsby Investments Inc. will be approximately fifty five percent (55%) of the total cost to the City as described above and will be a condition of any development approval for its lands to the south and east of the Southeast Community Centre site.

**Remaining Portion of Municipal Road (Phase 2)**

The master plan for the entire SECCL and park complex is based on having access via a new set of municipal roads ( 'Phase 1 and Phase 2') connecting with Middlefield Road to the west and

with 14<sup>th</sup> Avenue at the existing signalized intersection with Canfield Drive to the north, as per Attachment 'A'. If the park is built at the same time as the SECCL, Phase 1 and 2 of the municipal roads should be built in order to provide access to the park. The Phase 2 municipal roads will also serve the future development to the south/ east of SECCL and the park. Without the Phase 2 road, the park will not have direct access and it will not be convenient for park users. Staff recommend that Council authorize the design and construction of Phase 2 and associated funding. If Council does not authorize the Phase 2 funding, then staff recommend that the construction of the park be delayed to coincide with the later construction of the Phase 2 road components.

In addition staff recommend that Council extend the agreement principles for Phase 1 with Neamsby to cover the design and construction costs for the Phase 2 roads. Neamsby has agreed in writing to include the Phase 2 municipal roads based on the previously agreed principles.

The Engineering Department will review and approve the design in accordance with the City's standards and provincial design guidelines. In addition, staff will review cost estimates and tender pricing from Neamsby Investments Inc. to ensure competitive pricing. In addition the Engineering Department may elect to provide contract administration of the road construction.

The proposed schedule of the Phase 1 and Phase 2 municipal roads is outlined below:

- EA study: December 2014 to March 2015
- Design: December 2014 to March 2015
- York Region Approval: December 2014 to March 2015
- Tender: Spring 2015
- Construction Commencement: Late Spring 2015
- Construction Completion to base coarse asphalt: Fall 2015
- Final construction completion: Fall 2016

**FINANCIAL CONSIDERATIONS AND TEMPLATE: (external link)**

The Phase 1 and Phase 2 municipal roads estimated cost is:

**Phase 1 and Phase 2 EA study:**

EA study	\$40,000.00
Internal Charges (7.5%)	\$3,000.00
Contingency (5%)	\$2,000.00
<u>HST Impact (1.76%)</u>	<u>\$739.20</u>
Sub-Total:	\$45,739.20

**Phase 1 (June 17, 2013 Council Approved Portion):**

Design	\$125,900.00
Contract Administration	\$61,500.00
Construction (estimated)	\$1,124,600.00
Internal Charges (7.5%)	\$98,400.00
Contingency (5%)	\$65,600.00
<u>HST Impact (1.76%)</u>	<u>\$24,246.00</u>
Sub-Total:	\$1,500,246.00

**Phase 2 (Remaining Portion of Municipal Roads):**

Design	\$141,100.00
Contract Administration	\$69,000.00
Construction (estimated)	\$2,148,100.00
Internal Charges (7.5%)	\$176,865.00
Contingency (5%)	\$117,910.00
<u>HST Impact (1.76%)</u>	<u>\$43,579.30</u>
Sub-Total:	\$2,696,554.30

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**TOTAL:** \$4,242,539.50

	<b><u>Overall</u></b>	<b><u>Markham's</u></b>	
<b><u>Total Cost:</u></b>	<b><u>Project</u></b>	<b><u>Share (45% of</u></b>	<b><u>Neamsby's Share</u></b>
EA study	\$45,739.20	<b><u>total)</u></b>	<b><u>(55% of total)</u></b>
Design	\$267,000.00	\$20,582.64	\$25,156.56
Construction	\$3,929,800.30	\$120,150.00	\$146,850.00
<b>Total (Phase 1 and Phase 2):</b>	<b>\$4,242,539.50</b>	<b>\$1,768,410.14</b>	<b>\$2,161,390.16</b>
		<b>\$1,909,142.78</b>	<b>\$2,333,396.72</b>

All estimates are subject to the final contract award price and the final certified costs.

The design cost estimate for Phase 1 and Phase 2 roads have been prepared by Masongsong Associates Engineering Limited and is approximately 8.16% of the constructions cost. Previous City projects with similar scope had a design cost of 10% value of the construction cost.

Staff will submit a 2015 Capital budget request for funding of Phase 1 and Phase 2 roads. The City will be reimbursed by Neamsby Investments Inc. for fifty percent (50%) of the total cost of design and construction the Phase 1 and Phase 2 roads and one hundred percent (100%) of the costs associated with the installation and construction of landscaping, sidewalks and underground servicing, on, within, adjacent and/ or under the Phase 1 and Phase 2 roads. The total reimbursement by Neamsby Investments Inc. will be approximately fifty five percent (55%) of the total cost to the City as described above and will be condition of any development approval for its lands to the south and east of the Southeast Community Centre site. All estimates are subject to the final contract award price and the final certified costs.

Staff recommend that Council authorize the EA study in the amount of \$45,739.20 and design of the Phase 1 and Phase 2 municipal roads in the amount of \$267,000.00 to be funded from account number 083-5350-14050-005 "E/W Municipal Rd. South of 14<sup>th</sup>. Middlefield to 270m E", which has the total of \$228,500.00 available. The shortfall which is \$84,239.20 is to be funded in 2015 Capital budget subject to Council approval.

Staff recommend that the construction of Phase 1 and Phase 2 municipal roads in the amount of \$3,929,800.30 be authorized and funded in 2015 Capital budget subject to Council approval.

The 2015 Capital budget will include a request for \$4,014,000.00 (\$84,239.20 + \$3,929,800.30 = \$4,014,039.50 rounded to the nearest hundred) for the remaining design and construction costs for Phase 1 and 2.

#### **HUMAN RESOURCES CONSIDERATIONS**

Not applicable

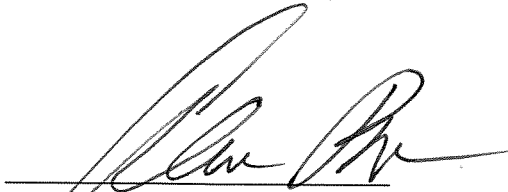
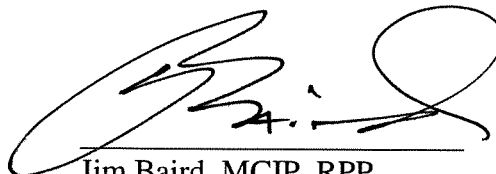
#### **ALIGNMENT WITH STRATEGIC PRIORITIES:**

The project aligns with the following City of Markham corporate priorities: Integrated Leisure Master Plan, Infrastructure Management, Economic Development, Growth Management and Transportation.

#### **BUSINESS UNITS CONSULTED AND AFFECTED:**

Planning and Urban Design, Legal, Financial Services, Asset Management and Operations have been consulted.

#### **RECOMMENDED BY:**

  
Alan Brown, CET  
Director, Engineering  
Jim Baird, MCIP, RPP  
Commissioner, Development Services

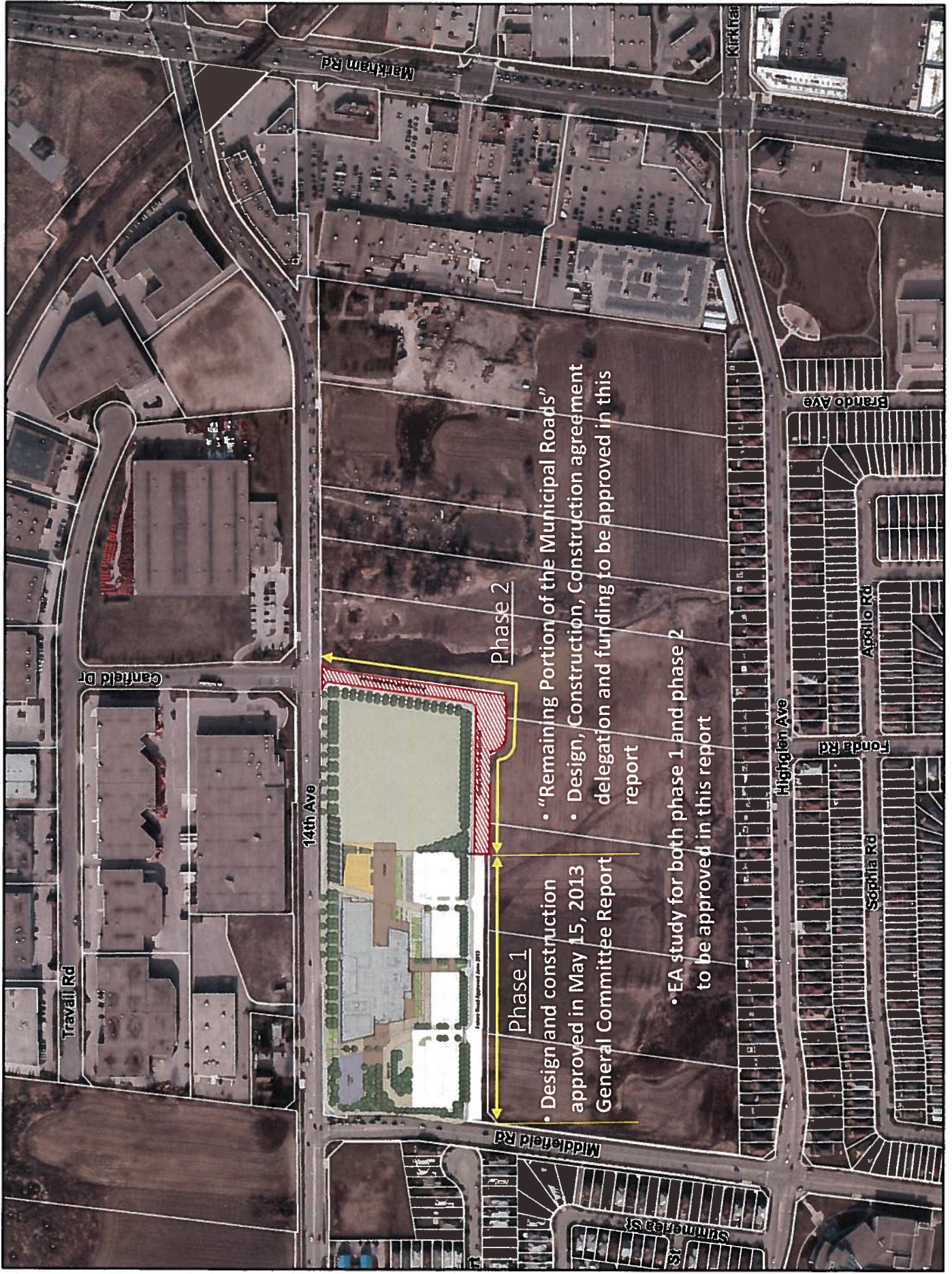
**ATTACHMENTS:**

Attachment 'A': Municipal Roads for the SECCL and Park- Phase 1 and Phase 2

Attachment 'B': June 17, 2013 Council Resolution



# ATTACHMENT A







## Attachment B

THE CORPORATION OF THE CITY OF MARKHAM

EXTRACT FROM THE MINUTES OF THE COUNCIL MEETING HELD ON Jun 17, 2013  
REPORT NO. 28 - GENERAL COMMITTEE (June 10, 2013)

**(12) SOUTHEAST COMMUNITY CENTRE & LIBRARY PROJECT – SITE PLAN APPROVAL AND TENDER (6.6 & 7.12)**

**Report**

- 1) That the report entitled "Southeast Community Centre & Library Project – Site Plan Approval and Tender" be received; and,
- 2) That Council authorizes Staff to proceed with tendering to the pre-qualified General Contractors for the construction phase of the project; and,
- 3) That the site plan application (File Number SC 13 133615) to allow a municipal Community Centre and Library be endorsed in principle and that site plan approval for the Southeast Community Centre and Library be delegated to the Director of Planning and Urban Design, or his designate; and,
- 4) That Council authorize the Mayor and Clerk to execute a construction agreement(s) with Neamsby Investments Inc. in a form satisfactory to the City Solicitor and the Chief Administrative Officer for the construction of a East/West municipal road ("E/W Municipal Road") immediately south of the Southeast Community Centre & Library site; and,
- 5) That Council authorize the City of Markham to upfront the design and construction costs for the E/W Municipal Road in the amount estimated at \$1.5M to the satisfaction of Director of Engineering, or his designate of which approximately 55% (or \$825k) will be reimbursed when the remainder of the lands are developed by Neamsby Investments Inc. per the Agreement of Purchase and Sale of the community centre lands; and,
- 6) That the tendering process be waived in accordance with Purchasing By-Law 2004-341, Part II, Section 7, Item 1 (g) "where it is in the City's best interest not to solicit a competitive bid" for Neamsby Investments Inc. to award the project to a general contractor provided it can be demonstrated to the satisfaction of the Director of Engineering that the overall cost to construct the E/W Municipal Road is competitive; and,
- 7) That Council authorize Perkins + Will to proceed with the 14<sup>th</sup> Avenue Boulevard design in the amount of \$8,000 to be funded from the 'South East Community Centre/Architect Consultant Services' 2011 Capital Account #70-5350-11318-005; and,
- 8) That Council authorize Perkins + Will to proceed with the design of the Emergency Reception Centre in the amount of \$8,000 to be funded from the 'South East Community Centre/Architect Consultant Services' 2011 Capital Account #70-5350-11318-005; and,
- 9) That Staff report back with Audio Visual/Acoustic options for the interior Social Gathering space to the Southeast Council Subcommittee; and further,
- 10) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

**CARRIED**