



REQUEST FOR DECISION

MEETING DATE: February 28, 2022

TITLE: Pre-Spring Budget Adjustment – Concrete Crushing/Industrial Land Site Servicing

DIVISION: Corporate Services

SUMMARY:

At the January 17, 2022 Committee of the Whole meeting, Council recommended that Administration bring forward the servicing of the 18 acre industrial site on City-owned land in the Public Works quarter section as part of the Spring 2022 budget adjustment process. In order to complete the servicing in 2022, Administration is now seeking Council approval to commence with the work earlier than April 2022 when the Spring Budget Adjustment will be debated by Council. Should Council approve the work proceeding, the funding requirement will still be included in the overall Spring Budget Adjustment amounts. This work will first involve the crushing and relocating of the stockpile of concrete on the site, and then the site servicing work would be completed.

PROPOSED MOTION:

THAT Council approve work to proceed completing the crushing and relocating of the concrete currently located on the 18 acre industrial site on City-owned land in the Public Works quarter section at an additional cost estimate of \$250,000, which will be funded through unrestricted surplus and included as part of the Spring 2022 Budget Adjustment process.

THAT Council approve proceeding with the site servicing of the 18 acre industrial site on City-owned land in the Public Works quarter section at an estimated cost of \$1.723 million, once the concrete is crushed and relocated from the site, which will be funded through unrestricted surplus and reported through the Spring 2022 Budget Adjustment process.

BACKGROUND / ANALYSIS:

In order to complete the site servicing in 2022, Administration has identified that the work to crush and relocate the existing stockpile of concrete on the site would need to commence earlier than April 2022 when the Spring 2022 Budget Adjustment will be debated by Council. Once the concrete pile is crushed and relocated, the site servicing work would then be completed.

This has resulted in two budgetary considerations that require motions of Council in order to proceed with the work:

1. Preparation of the land (i.e. crushing and relocation of concrete on site)
2. Industrial land servicing

Preparation of the land (i.e. concrete crushing and relocation)

The city crushes recycled concrete every two years to create usable product for the upcoming construction season. There is approximately 10,000 m³ of recycled concrete material added to the pile every year from various projects. This concrete is a valuable resource to the city as it provides easily attainable clean fill for projects throughout the City.

In order to allow the site servicing to proceed, there is a need to crush the entire pile of recyclable concrete currently sitting on the lands directly North-East of the Public Works building (see Map).

Currently there are two piles located on the land:

1. One large pile to be crushed, which has approximately 25,000 m³ of material; and
2. A smaller pile of crushed material.

The large pile will need to be crushed and moved to a new site, and the smaller pile will also need to be relocated.

Public Works has identified a new site just to the north-west of the current pile location that both piles can be moved to. This location is close enough that transportation cost should be relatively low.

There is \$350,000 in the approved 2022 budget for crushing concrete; however, that will not crush the entire existing pile. Generally, the pile is crushed until the budget is used up. Engineering estimates that a budget of \$600,000 (an additional \$250,000 over the 2022 approved budget) will be required to complete the work in 2022, and it is expected that the contractor will take approximately eight weeks to complete the work. This additional funding requirement will be funded by unrestricted surplus.

Industrial land servicing

As stated above, the Committee of the Whole, at its January 17, 2022 meeting, recommended that Administration bring forward the servicing of the 18 acre industrial site on City-owned land in the Public Works quarter section as part of the Spring 2022 budget adjustment process. The cost estimate for servicing of this 18 acre site is \$1.173 million was developed by a consultant with input from the City's engineering department. In addition, there is an estimated cost of \$550,000 in offsite levies that will be associated with servicing this site. The levies will be recovered during the sale of the developed parcels.

Council approval of the additional \$250,000 to complete concrete crushing and relocation, and the \$1.723 million to complete site servicing and corresponding offsite levies, is required to ensure the work is completed in 2022.

OPTIONS / ALTERNATIVES:

Administration could wait for the Spring 2022 budget adjustment process to commence the concrete crushing and relocation, and the site servicing, of the 18 acre industrial site. This would be consistent with the Council of the Whole recommendation from the January 17, 2022 meeting. However, this would lead to a delay in the work, and would result in the site servicing not being completed by the end of 2022.

CONSULTATION / ENGAGEMENT:

Discussions have been held internally with Administration (i.e. Economic Development, Engineering, Public Works, and Finance) to identify the timing issue, and to develop the recommendation to Council.

IMPLEMENTATION / COMMUNICATION:

Work to secure a concrete crushing contractor would commence immediately if Council approves the acceleration of the work.

IMPACTS:

The acceleration of the work will result in the availability of additional serviced industrial land to the region by the end of 2022. At the same time, it should generate a substantial financial return to the City from sale of the serviced lots. The financial risk to the City is low and is mainly related to the timeframe for sale of the lots.

FINANCIAL IMPLICATIONS:

An operating reserve fund for concrete crushing was established through the 2022-24 Corporate Plan, but the lag in 2021 of crushing, combined with acceleration of land development, requires the additional funding. The return to \$100,000 annual contributions to the operating reserve fund in 2023 will still be required, as 10,000 m³ of recycled concrete is added each year. There is \$350,000 in the approved 2022 budget for crushing concrete. The additional funding required in 2022 for concrete crushing and relocation is \$250,000, funded from unrestricted surplus, bringing the total cost in 2022 for concrete crushing and relocation to \$600,000.

The site servicing cost will be accounted through the unrestricted surplus for the time being (not part of the capital plan) and will be reporting through the Spring 2022 Budget Adjustment process. Administration will be returning to Council later in 2022 with a Request for Decision to establish a Specific Purpose Land Reserve, and that is where the fund for the site servicing and corresponding offsite levies would be sourced from, and the ensuing land sales would be directed to, if Council approves the establishment of the Reserve. The amount required to complete site servicing is \$1.173 million plus \$550,000 for offsite levies.

STRATEGIC VISION ELEMENT:

Where People Choose to Grow a Business - A strong, diversified business centre

RELATED GOAL:

The City maintains a constant inventory of available land, both developed and developable, to ensure businesses can find properties that meet their needs.