

Town of Whitby

Staff Report

whitby.ca/CouncilCalendar



Report Title: Mid-Block Arterial – Phase 3 (Anderson Road to Thornton Road) – Detailed Design

Report to: Committee of the Whole

Date of meeting: June 10, 2024

Report Number: PDE 08-24

Department(s) Responsible:

Planning and Development Department
(Engineering Services)

Financial Services Department

Submitted by:

Roger Saunders, Commissioner,
Planning and Development

**Acknowledged by M. Gaskell, Chief
Administrative Officer**

For additional information, contact:

Peter Angelo, Director, Engineering
Services, x4918

Fuwing Wong, Commissioner, of
Financial Services, x4314

1. Recommendation:

1. That a new 2024 Capital Budget, in the amount of \$2,250,000 for the Mid-Block Arterial – Phase 3 Detailed Design, be approved and funded \$25,780 from the Growth Capital Reserve Fund, and \$2,224,220 from the Development Charges Roads and Related Town-wide Infrastructure Reserve Fund;
2. That the Anderson Conlin Development Consortium (ACDC) be authorized to proceed with the Mid-Block Arterial Phase 3 Design work based on a commitment that the Town intends to negotiate a reimbursement agreement for the \$2,140,000 of detailed design works;
3. That Council provide the Chief Administrative Officer and Commissioner of Planning and Development delegated authority to enter into a reimbursement agreement with the ACDC for the Mid-Block Arterial Phase 3 Detailed Design works based on the principles outlined in report PDE 08-24 and subject to terms satisfactory to the Commissioners of

Financial Services/Treasurer and Legal and Enforcement Services/Town Solicitor;

4. That no ACDC reimbursements payments are processed by the Town until the reimbursement agreement with the ACDC for the Mid-Block Arterial Phase 3 Detailed Design works is fully executed; and,
5. That staff commence negotiations with ACDC for a future development charge credit and/or reimbursement agreement for the construction of Mid-Block Arterial based on the principles outlined in report PDE 08-24.

2. Highlights:

- Planning studies related to the infrastructure requirements to support development of south Brooklin identified a need to construct a new east-west arterial south of Highway 407.
- The Mid-Block Arterial Schedule C Environmental Assessment (MBA EA) confirmed the need for a new east-west arterial road from Cochrane Street to Thornton Road within the next 10 years.
- As part of the Environmental Study Report (ESR), preliminary designs were prepared for the Mid-Block Arterial identifying the future plan, profile and cross section between Cochrane Street to Thornton Road.
- The ESR identified all required approvals to proceed from preliminary design to Detailed Design and Construction.
- Based on the Development Charges Background Study, the Mid Block Arterial project from the Garden Street Extension to Thornton Road (Phase 3, as shown in **Attachment 1**) is an approximately \$53.7 million project to be completed in two stages. Town Engineering staff estimate that the detailed design works will cost \$2,250,000:
 - \$1,250,000 for 30% design, to be completed in 2024; and
 - \$1,000,000 to bring the design from 30% to 100% in 2025
- In order to proceed expeditiously with the design and construction of the Mid-Block Arterial improvements, it is proposed that the Town provide the Anderson Conlin Development Consortium (ACDC) authorization to proceed with the Phase 3 Mid-Block Arterial design work based on a commitment, from the Town (via this report), that the Town intends to negotiate a development charge credit and/or reimbursement agreement for the estimated \$2,250,000 project.

- Further, the Town intends to have the ACDC construct the road. This work will require a second and more extensive agreement, a future development charge credit and/or reimbursement agreement, to account for the size and scale of the project and the complexities of the tracking of the costs related to the various phases and Development Charge (DC) credits and reimbursements over a period of 10+ years. The details of this development charge credit and reimbursement agreement will be the subject of a future report to Council when the terms have been settled in principle.
- The Mid-Block Arterial Phase 3 Detailed Design project will use the same approach as currently being applied for the initial phase of Mid-Block Arterial Detailed Design and Construction (Garden Street Extension easterly to Ashburn) and the ongoing Columbus Road Detailed Design, whereby the Landowners' Group are authorized to execute the design and pre-construction following the terms and conditions identified in a formal agreement between the Town and the Landowners' Group. The landowner group has provided a letter acknowledging their commitment to this approach (See Attachment 2).
- ACDC will retain an Engineering Consultant to execute the Detailed Design scope of work.
- The Town will assign Paul Bumstead, Bumstead Integrated Transportation Consulting, to provide municipal-side project management. This role will ensure that Town of Whitby process and standards will be applied, and will integrate lessons learned through the West Whitby, initial Mid-Block arterial, and Columbus Road initiatives.

3. Background:

The Mid-Block Arterial (MBA) was identified in the Town's 2010 Transportation Master Plan as an urban arterial roadway in south Brooklin. The roadway extends from Cochrane Street/Highway 7 in a southeasterly direction between Winchester Road and Conlin Road to connect to Britannia Road in the City of Oshawa. There are significant development and employment opportunities in the near term along this corridor.

An Environmental Assessment was completed in 2021 and the Town has completed the detailed design and construction of Phase 1 of the MBA. This section includes approximately one kilometer of urban arterial roadway from Ashburn Road to the future Garden Street extension. It includes four roundabouts, which are located at Ashburn Road, the future Whitby Sports Complex, Baldwin Street and the future Garden Street extension.

The next phase of the project is to move forward with the detailed design for the section east of Anderson Road to the Oshawa boundary.

Potential developments along this section of the MBA include Panatoni, Rosewater, and the Brooklin South Employment Landowner Group. Several of these developments are already in the process of site plan or draft plan application. As such, the construction of

this Phase 3 section of the Mid-Block Arterial is targeted to be completed in 2026, in order to support these developments.

Since the Town currently does not have sufficient in-house resources to complete this significant and complex project within the required timeframe, the Town is working in partnership with the Anderson Conlin Development Consortium (ACDC) to develop a Memorandum of Understanding (Agreement), which will allow the ACDC to design and construct the roadway on behalf of the Town at an accelerated pace. The Agreement will clearly describe the Town's and ACDC's obligations, project scope, construction schedule, project cost, land conveyance, securities, performance requirements, cost controls, reimbursement mechanism, insurance, procurement requirements and dispute resolution procedures. Staff are seeking approval from Council to proceed with development and execution of this Agreement with the ACDC in order to expedite the design and pre-construction work for the MBA and meet the 2026 target completion.

4. Discussion:

4.1 Approach to Project Execution

An alternative delivery approach to the detailed design is required due to the current available resources and commitments of the Town.

ACDC is in a position to provide the required resources and expertise to act as the proponent for this study. It is in the mutual interest of both the ACDC and the Town to find an economical and expeditious way to implement this project.

For the purpose of the Detailed Design and Construction of the Mid-Block Arterial, it is proposed that the Proponent will be the ACDC, with Candevcon as the ACDC representative, and the Town acting as a Partner. The Proponent will be required to retain an engineering consultant through an open competitive bid process. The Town will assign an internal project manager (BIT, Paul Bumstead) to monitor and guide the technical and administrative processes. Third-party reviewers will be retained by the Town to review the formal legal agreements (i.e. funding agreement, negotiations with Infrastructure Ontario). The design project will be funded as a reimbursement from a new 2024 capital budget recommended in this report.

The Columbus Road design is intended to follow the same processes applied for the Phase 1 Mid-Block Arterial Road Detailed Design and Construction and the Columbus Road Detailed Design projects, wherein the Landowners' Group will be authorized to design the MBA through an agreement with the Town.

The detailed design is proposed to be undertaken in two (2) Stages.

4.1.1 Stage 1 Tasks – Advance Design Work, Prepare Agreement (2024):

- Prepare Terms of Reference for scope of work;
- Tender Request for Proposal from Engineering Consultants to execute scope of work;
- Interview and select Engineering Consultants;

- Develop and enter into an agreement between Town and BNLG which will prescribe the objectives, service requirements, and the delivery mechanisms for the undertaking, and including appropriate disclaimers related to site related needs and assessments for future cost sharing between Town and BNLG; and,
- Complete to 30% design level for review and sign off.

4.1.2 Stage 2 Tasks – Design and Pre-Construction (2025/2026):

- Complete to 100% design level and prepare Contract Drawings and Tender documents for staged implementation;
- This 100% design phase of the project will be included in the 2024 agreement but a new agreement, a DC Credit and/or Reimbursement agreement, will need to be developed for future Council consideration to account for the construction phase of the project; and,
- Monitor Environmental Impacts and Mitigating Measures.

4.2 Advantages to Approach:

- Rationale for authorizing ACDC to proceed with Detailed Design and Pre-Construction at this time:
 - Time is of the essence and the ACDC can leverage their constituent members for subdivision and site plan designs, and assign resources as required to deliver on a critical timeline;
 - Ability to deliver just-in-time infrastructure; and,
 - Ability to provide service in conjunction with development to minimize public disruption.
- Similar model and delivery mechanism for detailed design and construction of Mid-Block Arterial and Columbus Road development of a legal agreements, where Town engineering managing Town processes with Third Party Engineering review.
- Approach and Funding Mechanism will minimize complications previously experienced in delivery of West Whitby:
 - All design costs and funding from a new 2024 capital project, to be approved by Council, will be subject to a reimbursement agreement between the Town and ACDC; and,

- The future Construction Phase of the project will be funded through DC Credits and non-DC reimbursements, subject to future Council approval of DC Credit and Reimbursement agreement.

4.3 Pre-Construction

Following the completion of the detailed design, the Town will work with the ACDC on a future legal agreement. It is anticipated that the construction would be completed over several phases to facilitate the needs of the adjacent development.

5. Financial Considerations:

The Mid-Block Arterial project from the Garden Street extension to Thickson Road is included in the 2024 Capital Program as a Road Widening and Extension project between the years 2023-2025. The Mid-Block Arterial project proposed in this report (i.e. from Anderson Road to Oshawa) are identified in table below. Budget with a total project cost of \$53.7 million, as shown in the table below. The 2021 DC Study includes approximately 99% of the project to be funded from Development Charges, with the balance to be funded from the Town’s tax-based Growth Reserve Fund.

Mid-Block Arterial / Capital Project No.	Year	Gross Project Cost (2024 Capital Program)
Mid-Block Arterial Roadway - Garden Ext to Thickson – Design / 40236054	2023	\$2M
Mid-Block Arterial Roadway - Garden Ext to Thickson – Design / 40236054	2024	\$2M
Mid-Block Arterial Roadway - Garden Ext to Thickson – Construction / 40236054	2025	\$30M
Mid Arterial Roadway - Garden Ext to Thickson - Property / 40236054	2025	\$7.7M
Mid Arterial Roadway - Thickson to Oshawa – Design and Construction / 40306054	2030	\$10M

Mid-Block Arterial / Capital Project No.	Year	Gross Project Cost (2024 Capital Program)
Mid Arterial Roadway - Thickson to Oshawa – Property / 40306054	2026	\$6.6M
Total		\$53.7M

Subject to Council approval of this report, a new 2024 capital project will be established in the amount of \$2,250,000 for the Detailed Design of Mid-Block Arterial. The capital project will be funded as follows:

\$25,780	Growth Capital Reserve Fund (1.15%), and
<u>\$2,224,220</u>	Development Charges Roads and Related Town-wide Infrastructure Reserve Fund (98.85%)
<u>\$2,250,000</u>	

The project will be used to pay for the design works to be undertaken by the ACDC (estimated at \$2,140,000), on behalf of the Town, and the Town’s costs (estimated at \$110,000), including a consultant for municipal-side project management of the detail design work and external legal costs related to the drafting of agreements.

Payments to the ACDC will be subject to a fully executed agreement between the Town and ACDC with terms satisfactory to the Commissioners of Financial Services/Treasurer and Legal and Enforcement Services/Town Solicitor. As negotiations for this agreement are anticipated to be completed over the Council Summer Recess, it is recommended that the Chief Administrative Officer and Commissioner of Planning and Development be provided delegated authority to enter into the proposed reimbursement agreement with the ACDC for the Mid-Block Arterial Detailed Design works.

For the construction phase of the project (e.g. the balance of the approximately \$53.7 million project), a second and more extensive agreement will be required. The second agreement, a Development Charge Credit and Reimbursement agreement, will cover the construction (including Town vs. ACDC portions/costs of the project), ACDC proceeding with construction, how the Town will accept these works, and a longer period in which the ACDC will be “repaid” for the construction costs related to the Town’s portion of the Mid-Block Arterial Project – e.g. DC credits will be provided as development proceeds in the area, which may be 10+ years depending upon pace of development. Further, the reimbursement for the non-growth (or 15% of the non-DC) portions of the construction project will also be outlined in the second agreement. Subject to Council approval of this report, staff will start negotiations with the ACDC on this second agreement, which will require Council review and approval prior to execution.

6. Communication and Public Engagement:

In 2024/25 there will be additional consultation with stakeholders, agencies and First Nations which will include newsletter(s) and meetings.

7. Input from Departments/Sources:

Engineering Services staff will continue to collaborate with Planning, Financial Services, and Communications and Creative Services to address project needs and issues as they arise.

8. Strategic Priorities:

Report PDE 08-24 is consistent with the findings and recommendations of the approved Mid-Block Arterial EA.

The advancement of the design and construction of Mid-Block Arterial in a timely manner, to support and facilitate approved developments in south Brooklin, aligns with the objectives of the Corporate Strategic Plan to provide a consistent, optimized and positive customer service.

9. Attachments:

Attachment 1 – Location Plan

Attachment 2 – Correspondence from Reg Webster Consulting Inc.