

DATE OF MEETING | March 14, 2018 |

AUTHORED BY | DEAN MOUSSEAU, MANAGER, ENGINEERING AND ENVIRONMENT |

SUBJECT | THIRD STREET ROAD AND UTILITY UPGRADE COST SHARE |

OVERVIEW

Purpose of Report

To obtain Council's approval to proceed with the development cost share opportunity on Third Street for the upgrade of the road and watermain and to include in the 2018 – 2022 Financial Plan projects to complete the road upgrade and watermain replacement. |

Recommendation

The Finance and Audit Committee recommends that Council direct Staff to enter into a cost sharing agreement with the developer of 525 Third Street, for the work, and to allocate:

- \$265,444 - Roads Development Cost Charge
- \$50,000 - Private Contribution
- \$74,250 - Water Development Cost Charge
- \$50,750 - Water Reserves
- \$59,556 - General Reserves |

BACKGROUND

Third Street is part of the major road network connecting the Parkway to Downtown Nanaimo. There is a segment near Watfield Avenue that does not meet safety standards for sight distance due to the vertical curvature. The City of Nanaimo (City) has a long term plan to correct the crest curve (take the top off the hill) at that location and bring the sight distance into compliance improving the overall safety.

The City approved a Rezoning application for 525 Third Street on June 19, 2017 and that development has been working its way towards potential construction in 2018. As part of the development requirements, the developer is required to construct frontage works and services along Third Street, including new road, curb, sidewalk and streetlights. The developer is obligated to construct the new (lower than current) road up to the centerline. The developer is not obligated to pay for the cost of the other side of the road as per City "BUILDING BYLAW 2016 No. 7224" and "Local Government Act Section 506 (8)". It is not practical to complete a re-grading of only one side of the road. The property owner on the other side of the road (560 Third Street) will also be subject to the requirements of the Building Bylaw and has a covenant on their title; when they develop, they are required to pay the City \$100,000 towards the cost of upgrading the road beyond the centerline and the frontage of their property. They have already contributed \$50,000, half of the total required that can be allocated to this project.

The City has an opportunity to cost share with the developer of 525 Third Street to complete the entire road upgrade in conjunction with the developer's works in 2018. The scope of work

would include road re-profiling outside of the developer's area of obligation and associated watermain upgrades.

OPTIONS

1. The Finance and Audit Committee recommends that Council direct Staff to enter into a cost sharing agreement with the developer of 525 Third Street, for the work, and to allocate:
 - \$265,444 - Roads DCC
 - \$50,000 - Private Contribution
 - \$74,250 - Water DCC
 - \$50,750 - Water Reserves
 - \$59,556 - General Reserves
 - **Budget Implication:** Should the City not participate to cost share in the re-profiling of Third Street, it will not be possible to secure the frontage Works & Services required under the Building Bylaw from the development on either side of Third Street, which could result in 100% of the future roadworks to be funded by the City.
2. To provide alternative direction to Staff.
 - If the City does not participate in the cost share, the developer will not be able to proceed with their phasing plan and it will have significant consequence on the development.

SUMMARY POINTS

- Third Street, west of Howard Street requires re-profiling of the crest to improve sightlines and make the road safer.
- There is an opportunity to cost share with a developer to complete the road and water infrastructure work.
- Funds to complete this cost share can be allocated from Road DCC, Water DCC, Private Contributions and Reserves.

ATTACHMENTS

Attachment A – Site Plan (prepared by Herold Engineering Ltd., marked up to show City vs Developer works)

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