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## Request for Developer to Construction Manage Portion of Parcel YY Streetscaping

### Recommendation

That the Standing Policy Committee on Planning, Development and Community Services recommend to City Council:

1. That the Developer of Parcel YY be approved to perform construction management of civic streetscaping in front of the hotel/condo area in conjunction with their hardscaping work, on behalf of the City of Saskatoon;
2. That the work be in compliance with civic standards, follow administrative conditions, and a process be outlined for reimbursement in a formalized service agreement;
3. That the City Solicitor be requested to prepare the appropriate agreement, as outlined in this report, between the Developer and the City of Saskatoon, and,
4. That His Worship the Mayor and City Clerk be authorized to execute the agreement as prepared by the City Solicitor, under the Corporate Seal.

### Topic and Purpose

The purpose of this report is to request approval for the Developer of the Alt Hotel at Parcel YY to assume construction management of the adjacent proposed civic streetscaping due to the Hotel having advanced its opening date to December 2018. The Developer requires their occupants to have access to the hotel entrance, which requires the adjacent, civic streetscaping to be advanced to meet their schedule. The Developer is in the best position to perform construction management of the work, in order to meet the tight timelines, achieve cost efficiencies, ensure better coordination, reduce risk, and be completed in a timely manner.

### Report Highlights

1. The hotel development has advanced its opening schedule and has had some construction design changes, both of which have impacted the City of Saskatoon's (City) streetscaping design and construction timing.
2. There are several Parcel YY construction site challenges that would pose significant risk to the schedule, impede site coordination, and incur cost to the City, if the City were to undertake the work on its own.
3. The Administration is proposing that the Developer undertake construction management work for civic streetscaping around the hotel/condo, in conjunction with its own hardscaping work, in order to improve efficiency, site coordination, reduce risks and costs, and ensure a successful project completion.

### **Strategic Goal(s)**

This report supports the Strategic Goal of Asset and Financial Stability through the creation of a service agreement with the Developer to ensure a more efficient and better coordinated civic infrastructure project. The report also supports the Strategic Goal of Quality of Life in terms of providing citizens with enhanced streetscaping in River Landing that is welcoming and beautiful.

### **Background**

Parcel YY is a 1.153 hectare/2.85 acre development site in River Landing, involving a private consortium of owners and developers creating a hotel, condominium, two office towers, and public plaza. The Developers for the hotel/condo portion are River Landing GP Inc. c/o Triovest and HAC Saskatoon LP.

When River Landing was built, the streetscaping (sidewalks, amenity strips, paving stones, trees, street lighting street furniture, etc.) was not installed along parts of the Parcel YY site (see Attachment 1). The rationale was that private development was not known at the time, and the City did not want to install civic streetscaping due to the potential risk of future development damaging or removing the infrastructure to suit their site layout. Capital funds were set aside to complete this civic work after private development occurred.

### **Report**

#### Hotel Plans Impacting Design and Construction Timing

In February 2018, the Developer indicated to the Administration that the hotel would be completed and open for business in December 2018, 6-8 months ahead of schedule. The Developer has indicated it would like the civic streetscaping to be finished by December 2018, in order for its guests to be able to access the building. The Administration had been anticipating a spring/summer 2019 hotel completion, and was preparing its plans and construction for that time frame.

Now that development completion is imminent, the Administration has been working to complete its streetscaping design in conjunction with the Developer's hardscaping designs on their property. The typical process involves the City doing the civic streetscaping design adjacent to the private development site, and undertaking the construction work. Given the challenges outlined in the report below, the Administration is proposing another streetscaping solution for the area around the hotel/condo site.

In addition, the Developer has had to work through some construction and design adjustments due to the parkade being built before the condominium had been designed, thus numerous hardscaping/streetscaping design solutions were being presented to the Administration from November 2017 to April 2018, with a final design solution presented to the City in mid-April. The Developer is responsible for designing the solution, which includes such elements as hotel/condo entrance stairs, ramp, and a planter bed, all encroaching onto City right-of-way; and the design of the civic streetscape needs to integrate these encroachment elements.

As a result, subsequent approvals and design accommodations will be needed to accommodate the Developer's design solution. The Administration is now in the process of reviewing the Developer's plans, but the delay in design completion by the Developer has had a negative impact on the civic streetscaping design work.

The advanced construction and opening schedule for the hotel, as well as the delay in finalizing the hardscaping/streetscaping design solutions, has triggered a fast-track solution for both the City and the Developer in order to finish the private hardscaping and civic streetscaping before the hotel opening.

### Construction Site Challenges

In addition to the hotel plan impacts as noted above, there are numerous construction site challenges as well:

- 1) The Developer and its construction team will be working on the site throughout the summer. They anticipate moving their construction fence back in early fall, which would then allow civic streetscaping to commence. The Administration views this late site availability as a high risk as it may be too late to complete work before cold weather shuts down construction for the season.
- 2) The Developer is requesting a parallel parking layby in front of the hotel, which necessitates relocating the existing curb and other changes to the original River Landing streetscape master plan. As noted in the Developer's DCD1 approval letter, any upgrades required by the Developer will be at the Developer's cost. If the City followed the usual streetscape process, this construction work would be done by the City through a typical tender process and cross-charged back to the Developer. If the Developer undertakes the work as is being proposed, it is their required infrastructure and they can ensure its timely completion.
- 3) Due to the Developer's encroachment design, there is concern that when the City starts streetscaping construction, there could be a problem with alignment where the two construction projects meet. Again, by having the Developer do the work, it ensures better coordination and ability to adapt construction on site.
- 4) In order for the City to complete its streetscaping work on time following the typical process, its contractors would have to work side by side with the Developer's contractors, thus leading to possible concerns over responsibility for site damages, deficiencies, site access, poor communication, challenges with coordination, etc. There are also safety concerns if there are two groups of contractors working in the area at the same time. If the Developer completes all construction work, they can coordinate the timing and site access issues, resulting in a more efficient construction schedule.
- 5) As it is late in the construction season to issue a tender, the Administration fears not being able to source a contractor. By combining the civic streetscaping work with the Developer's hardscaping work in an open public tender, it makes the project more attractive to competitive bidders.

### Developer Undertaking Construction Management Work for Civic Streetscaping

This report proposes combining the civic streetscaping construction work with the hardscaping work of the Developer into one project, with the Developer as the lead, in order to achieve the most coordination, while also minimizing costs, risks, and time impacts.

A cost estimate of the City's portion will be prepared and would be used to determine the City's financial contribution to the project. The City would pay proportionally for the management, tendering, and construction of the civic streetscaping.

The Developer would, with City input, create the construction tender, lead the tender process utilizing an approach which aligns well with the City's Procurement Policy, and oversee the contractor and sub trades.

The City would work with the Developer to create an agreement that outlines the administrative conditions, conformance to City specifications and standards, scope of work, timelines, costing/reimbursement, open public tender process for contractors, quality management, inspections, oversight, warranties, and final turn-over.

The City has worked with other developers in the past on similar combined projects, most recently, with the Children's Discovery Museum, to have them take the lead on the combined work of City repairs and tenant improvements at the Mendel Building, to ensure better integration, reduced costs and safety risks.

### **Options to the Recommendation**

The option would be to deny the proposed approach, and the City would then do the coordination and construction work. This is not preferred as it would incur more risk to the City in terms of financing, site coordination, and completion prior to the opening of the hotel.

### **Public and/or Stakeholder Involvement**

The Administration has been holding bi-weekly coordination meetings for the past five months with the Developer, Owner's Group, Construction Team, as well as key civic staff to ensure success of the project. An internal working team has been created of subject matter experts from across the corporation (Urban Design, River Landing, Development Review, Transportation, Construction & Design) that also meets bi-weekly to strategize, develop designs and plans, and problem solve. The Administration has been liaising with Meewasin, as this project also falls within their approval zone, as well as consulting with the City Solicitor and the Purchasing Division.

### **Communication Plan**

Prior to construction work, the Administration will notify surrounding businesses of any impact and timelines of construction in the area.

**Financial Implications**

Since 2011, River Landing has been carrying capital funding for the completion of the civic streetscaping surrounding all of the Parcel YY site. Inflation has eroded the purchasing power of that funding (approximately \$2M). Preliminary cost estimates for the portion in front of the hotel is approximately \$600,000 to \$800,000 for the civic portion of the work. Partnering with the Developer on the civic streetscaping would ensure some cost savings by combining their work with civic work, cost efficiencies through on site coordination, risk reduction and risk transfer, and one contractor overseeing both sets of construction work. The Administration will continue its design and costing of the other sides of the site with construction in 2019, now that plans have been finalized by the Developer for the other activities on the site.

**Safety/Crime Prevention Through Environmental Design (CPTED)**

The civic portion of the streetscaping, as well as the private hardscaping of the site, will both be submitted for a CPTED review prior to construction.

**Other Considerations/Implications**

There are no policy, environmental, or privacy implications or considerations.

**Due Date for Follow-up and/or Project Completion**

Pending City Council's approval of the recommendations, the Administration will complete a service agreement for construction management of the Parcel YY Streetscaping with the Developer within 45 calendar days of approval. The remaining site around Parcel YY is proposed to receive streetscape treatments in 2019.

**Public Notice**

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

**Attachment(s)**

1. Site Map of the Civic Streetscaping Area

**Report Approval**

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Reviewed by: Lesley Anderson, Director, Planning and Development  
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