
Request for Developer to Construction Manage Portion of 3rd Avenue Streetscaping

Recommendation

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

1. That Triovest Realty Advisors, as the Developer of the East Tower at Parcel YY in River Landing, be approved to perform construction management of civic streetscaping in front of the East Tower 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 construction 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 (Triovest Realty Advisors) of the East Tower at Parcel YY to assume construction management of the adjacent proposed civic streetscaping, in conjunction with their hardscaping work, due to the East Tower opening in fall 2019. 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, and reduce risk.

Report Highlights

1. There are several East Tower 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.
2. The Administration is proposing that the Developer undertake construction management work for the new civic streetscaping around the East Tower, in conjunction with its own hardscaping work, in order to improve efficiency, site coordination, reduce risks and costs, and ensure a successful project completion.
3. The City entered into a similar construction agreement for civic streetscaping with the developer of the hotel/condo at the Parcel YY site in 2018, and the partnership was very successful.

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 an efficient and 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 Developer for the East Tower is Triovest Realty Advisors.

When River Landing was built, streetscaping (sidewalks, amenity strips, paving stones, trees, street lighting, street furniture, etc.) was not installed along parts of the Parcel YY site. 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

East Tower:

Triovest Realty Advisors (Triovest) are the developers of the East Tower at Parcel YY in River Landing, located on 3rd Avenue between 19th Street and Spadina Crescent. Their building will extend north from Spadina Crescent and almost reach the corner of 3rd Avenue and 19th Street. As noted above, the City did not formally streetscape that corner due to waiting for future development to occur, which is now underway (see Attachment 1). The Developer requires their occupants to have access to the East Tower driveway/parkade entrance, which requires the adjacent civic streetscaping be complete and integrate with their proposed driveway that crosses the public streetscaping.

Construction Site Challenges:

- 1) **Timing:** Triovest will be opening the East Tower in early Fall 2019 to its occupants. Construction is ongoing, with the parking lane along 3rd Avenue closed due to construction. Triovest anticipates this lane closure on the City right-of-way will not be opened up until late summer, 2019. This is extremely late access to the site, and if the City were to move in and do the streetscaping work itself, it is highly unlikely it would be completed in time for the East Tower to open. If the work is all done by the Developer, the entire streetscape work could be completed while the lane is closed.
- 2) **Site Integration:** The construction work at this site involves an integration between City elements and Developer elements. Triovest is planning a driveway to their property to provide access to the underground parking. This necessitates connecting to the existing River Landing curb/sidewalk and also integrating with the new (to be built as part of this work) River Landing sidewalk and paving stones that are to be installed. There is a risk that if two different contractors performed each element of work, that the elements would not integrate or align properly.

If Triovest undertakes the construction work for both the City and their driveway, as is being proposed here, then it is their required infrastructure and they can better ensure its timely coordination and completion, as well as the rest of the streetscaping work. This may also lead to better pricing for all the streetscaping work because the tender would involve both sets of work, and therefore be more attractive to bidders and achieve better bulk unit pricing. Any upgrades, including the proposed driveway, will be at the Developer's cost.

- 3) Potential Different Contractors: If the City followed its typical streetscape process and performed the work itself, its contractors would have to work side by side with Triovest's subcontractors. The concern is this could lead to possible disputes over responsibility for site damages, deficiencies, site access, poor communication, challenges with coordination, and various streetscaping elements may not tie together as seamlessly as is expected. There are also safety concerns if there are two groups of contractors working in the area at the same time. Thus, if Triovest's team completes all construction work, they can coordinate the timing and site access issues, resulting in a more efficient construction schedule.

Similar Construction Precedents:

The City has taken advantage of similar construction opportunities in the past. In May 2018, City Council approved a similar approach for the civic streetscaping that integrated with the private hardscaping at the hotel/condo at Parcel YY. It was very successful in terms of site efficiency, completion on time, and cost savings. The City has also worked with other developers in the past on combined projects, most recently, with the Children's Discovery Museum (combined work of City repairs and tenant improvements at the Mendel Building). This arrangement has led better integration, as well as reduced costs and safety risks on these projects.

To note, the City and Triovest may explore another coordinated approach to the building of the streetscaping along Spadina Crescent at Parcel YY, in conjunction with Triovest's construction of the Public Plaza (now named the K.W. Nasser Plaza), and future streetscaping along 2nd Avenue.

Construction Approach:

In order to be fiscally responsible, a cost estimate of the City's portion of the streetscaping will be prepared and will be used to determine the City's financial contribution to the project. The City would pay the Developer proportionally for the management, tendering, bid review, and construction of the civic streetscaping. Triovest would be responsible for paying for its driveway. The City would do its own inspection of the work and to ensure it is built to City standards, and includes a warranty on the work.

Options to the Recommendation

The option would be to deny the proposed approach, and the City would then be required to coordinate the construction work which may incur more risk to the City in terms of financing, site coordination, and may not be completed in time, which would mean no driveway access to the parkade prior to the opening of the East Tower.

Public and/or Stakeholder Involvement

The Administration would coordinate design, costs, and tendering with Triovest and key civic staff to ensure success of the project. An internal working team of subject matter experts from across the corporation has been established including members from Urban Design, River Landing, Development Review, Transportation, and Construction & Design. The team meets bi-weekly to strategize, develop designs and plans, and problem solve. The Administration will also be liaising with Meewasin, as this project also falls within their approval zone, as well as consulting with the City Solicitor and the Supply Chain Management Division.

Communication Plan

Prior to construction work, the Administration and Triovest will notify surrounding businesses and residents of any potential impacts and timelines of construction in the area.

Policy Implications

For this procurement situation, the project team consulted with the Director of Supply Chain Management and the Solicitor/Director of Planning & Development Law, to see if this undertaking was permitted under the City's new Purchasing Policy, where it is in the best interest of the City to proceed with a Non-Standard Procurement. They recommended the project team bring this report forward to Committee and City Council for their review. As noted prior, the project team had also brought forward to City Council a similar procurement in May 2018, which was approved.

Financial Implications

Since 2011, River Landing has been carrying approximately \$2M of capital funding for the completion of the civic streetscaping surrounding all of the Parcel YY site. Inflation has eroded the purchasing power of the funding. Preliminary cost estimates for the portion at 3rd Avenue and 19th Street is approximately \$300,000 to \$500,000, which will be further refined once the co-design is finalized for the work. Partnering with the Developer on the civic streetscaping could lead to 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.

Safety/Crime Prevention Through Environmental Design (CPTED)

The civic portion of the streetscaping, as well as the private hardscaping of the site, will have CPTED consideration prior to construction.

Other Considerations/Implications

There are no 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 construction agreement for construction management of the 3rd Ave/19th Street Streetscaping with the Developer within 45 calendar days of approval. The remaining site around Parcel YY is proposed to receive streetscape treatments in 2020.

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 Civic Streetscaping

Report Approval

Written by:	Jill Cope, Project Manager, Neighbourhood Planning
Reviewed by:	Paul Whitenect, Manager, Neighbourhood Planning
Approved by:	Lesley Anderson, A/General Manager, Community Services

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