



City of Prince Albert

RPT 2024-225

TITLE: Ronald McDonald House Servicing Agreement – 25th Street West

DATE: July 15, 2024

TO: City Council

PUBLIC: X

INCAMERA:

RECOMMENDATION:

1. That the Servicing Agreement between the City of Prince Albert and Friends of Saskatchewan Children Inc. for the completion of underground services for 25th Street West be approved;
2. That the estimated cost of \$1,010,000 for the construction of underground servicing be funded from the land fund, with an estimated cost recover in the amount of \$788,832 to be paid over 5 years by Friends of Saskatchewan Inc. (Ronald McDonald House);
3. That public access to 25th Street West from 7th to 10th Avenue be restricted upon commencement of the underground construction until the completion of the surface work in 2025; and,
4. That the Mayor and City Clerk be authorized to execute the Agreement subject to negotiation and approval by the City Solicitor.

EXECUTIVE SUMMARY:

The Ronald McDonald House will be constructing a new 10 room facility, to be located at 791 25th Street West in Prince Albert. This site is currently un-serviced and will require upgrades prior to development going forward. As the City will be completing the work, a servicing agreement will be required prior to commencement.

BACKGROUND:

A number of steps have already been taken, as we approach the development of this new 10 bed facility.

The properties are in the process of being rezoned to accommodate the development and the sale of a City owned parcel to RMHC for \$1.00 is also underway. A full Development Permit application is expected in the coming weeks with an expected ground breaking in the fall of 2024.

Typically, the servicing and construction of roadways is spurred by development adjacent to the roadway. As 25th Street from 7th to 10th Avenue West was never constructed to an urban right-of-way standard as development to the south had not occurred, the current right of way does not include any underground infrastructure and the road was built with millings as a secondary access to the hospital.

PROPOSED APPROACH AND RATIONALE:

The property owners adjacent to 25th Street West are responsible for the costs associated with bringing 25th to a serviced standard. There are currently 5 property owners that will be required to share these costs.

The total estimated cost of the project is as follows:

25 th Street from 7 th to 10 Avenue West	
Underground Construction¹	\$1,010,000
Roadway Construction²	<u>\$1,180,000</u>
Total Estimated Cost	\$2,190,000

¹ Includes watermain, sanitary sewer, storm sewer, service connections and fire hydrants

² Includes base gravel, paving, concrete curbing (n.side) and curb & sidewalk (s.side), Crown utilities, ditch grading and landscaping.

As the City of Prince Albert owns a 1.25 acre property adjacent to the future Ronald McDonald house, our proportionate share is as follows:

Underground servicing estimated costs - \$221,168

Surface works estimated costs - \$170,972 - \$259,394 dependant on participation from other landowners.

Once our property is serviced, it will be placed on the market for sale, and these costs will be recouped.

It should be noted that the entirety of the property located on the North side of 25th Street West is owned by Prince Albert Grand Council. This property is already serviced with underground infrastructure off of 10th Avenue West. Any further development of their site will utilize existing underground infrastructure, and therefore they will not utilize the proposed new servicing to be installed on 25th Street West. As such, PAGC will not be required to contribute to these underground infrastructure costs.

The Servicing Agreement being contemplated in this report is for the completion of **underground infrastructure only.**

However, the surface upgrades including pavement, curbs, sidewalks, etc. will be utilized by all adjacent landowners and it is being requested that all owners pay for their proportionate share.

Negotiations are ongoing for these surface costs, and once completed, a separate agreement will be brought to City Council for consideration in the coming months.

The execution of the “underground infrastructure agreement” will allow the City to complete the underground work so that the Ronald McDonald House may start their project.

As the surface work will not commence until 2025, this allows time for a separate agreement to be prepared.

The Ronald McDonald House will be paying for the entire project upfront, and will be responsible for entering into agreements with the other landowners who will pay their proportionate shares. As a City, we will be covering the costs for servicing the City Land upfront.

Typically, providing servicing to a property is done by Custom Work Order where 100% of the costs are paid upfront by the landowner. In this case however, Ronald McDonald House has asked that they pay back these costs over a period of 10 years. Administration is rather recommending that these costs be paid over 5 years.

CONSULTATIONS:

The Ronald McDonald House was consulted in preparation for this report, along with the City Manager, the Mayor and the Department of Financial Services.

The City Solicitor has also been advised who will provide final comments to be included in the agreement.

COMMUNICATION AND/OR ANNOUNCEMENT PLAN:

The Director of Community Development has had ongoing communication with the RMHC. Upon Council’s decision, the Director will be in touch with the RMHC to advise them of the final decision

BUDGET/FINANCIAL IMPLICATIONS:

The City’s estimated proportionate share is as follows:

Underground servicing - \$221,168

Surface works costs - \$170,972 - \$259,394 dependant on participation from other landowners.

Along with paying these upfront costs, City Council is being asked to carry the total cost of the project over a period of 5 years. In total, this amounts to 2.1 million dollars, again, to paid back over time. The land fund will be paying for this project in the short term.

OTHER CONSIDERATIONS/IMPLICATIONS:

There are no policy, privacy or environmental implications

OPTIONS TO RECOMMENDATION:

1. Rather than a 5-year term as is being contemplated in the agreement, Council may choose to enter into a 10-year term as requested by the RMHC.
2. Rather than a 5-year term as is being contemplated in the agreement, Council may choose to require a 100% upfront payment by the RMHC similar to our standard custom work order process.

Neither of the above options are being recommended by Administration. With such an important community project, Administration feels that a 5-year term as recommended is fair.

STRATEGIC PLAN:

By supporting the Ronald McDonald House “Social Equity” is being promoted, as the City recognizes the unique needs of our communities social sector.

OFFICIAL COMMUNITY PLAN:

Section 6 of the Official Community Plan “Land Use” describes goals and policy language that promotes the development of un-serviced land, while also fostering relationships that will lead to different forms of housing.

PUBLIC NOTICE:

Public Notice pursuant to the Public Notice Bylaw No. 24 of 2015 is not required.

ATTACHMENTS:

25th Street Servicing Map

Written by: Craig Guidinger, Director of Community Development

Approved by: Director of Public Works and City Manager