



NE Economic Development Project Consulting Approval

Date	February 23, 2022
To	Executive Committee
From	Financial Strategy & Sustainability
Service Area	Financial Strategy & Sustainability
Item No.	EX22-11

RECOMMENDATION

The Executive Committee recommends that City Council:

1. Approve \$1,000,000 from the Land Development Reserve to fund Consulting Services for the NE Economic Development Project.
2. Authorize the Executive Director, Financial Strategy & Sustainability or designate, to initiate a public procurement process to engage consulting and professional services over \$750,000 to support the serviceability study, preliminary design, detailed design and construction services related to the NE Economic Development Project.
3. Authorize the Executive Director, Financial Strategy & Sustainability or designate, to negotiate, award, enter into an Agreement with the highest ranked proponent, to authorize any amendments to the Agreement that do not substantially change what is described in this report and to authorize any ancillary agreements or documents required to give effect to the Agreement.
4. Authorize the City Clerk to execute the necessary agreements after review and approval by the City Solicitor.
5. Approve these recommendations at its meeting on March 2, 2022.

ISSUE

Administration recommends the issuance and award of a Negotiated Request for Proposal (NRFP) for engineering consulting and professional services for the NE Economic Development Project (Project). Council approval is required as per *The Regina Administration Bylaw No. 2003-69*, Schedule D, Section 7 to issue and award the NRFP, as the consultant's fees are expected to exceed \$750,000.

Under the proposed scope of work, Administration will hire a consultant to prepare wastewater and potable water serviceability strategies for the NE and advance preliminary design for the NE Economic Development Project (the "Initial Work"). Should either the proposed Viterra or FCL/AGT developments proceed then the same consultant would be engaged to complete detailed design, tender and construction services for required system improvements (the "Subsequent Work"). The Initial Work is anticipated to be less than the \$750,000 threshold requiring City Council approval, however, to maintain continuity in the design; to meet project deadlines; and in keeping with recommendations in the Efficiency Review, Administration is requesting approval of the full amount so that should the Viterra or FCL/AGT projects proceed, that Administration may engage the same consultant to move into the Subsequent Work phase of the project.

IMPACTS

Financial Impact

Funding for serviceability studies and design services to support new economic growth opportunities were not included in previous budgets. Administration has determined a need to advance this work in support of emerging opportunities. As the economic development activity is projected to occur on lands owned by the City and optioned to Viterra and FCL for the purpose of economic development, that the funding needed to advance the work be funded from the Land Development Reserve. Should the land purchase option agreements be exercised by Viterra and FCL, the Land Development Reserve will receive approximately \$9.4 million from the sale of the lands.

Policy/Strategic Impact

This proposal is consistent with the policies contained within *Design Regina: The Official Community Plan Bylaw No. 2013-48 (OCP)* (as amended), which provides the framework to guide the development of the City's infrastructure to accommodate long-term growth and economic development.

Environmental Impact

Council set a community goal for the City of achieving net zero emissions and sourcing of net zero renewable energy by 2050. In support of this goal, Council asked Administration to provide energy and greenhouse gas implications of recommendations so that Council can evaluate the climate impacts of its decisions. The recommendations in this report have limited direct impacts on energy consumption and greenhouse gas emissions. The servicing for the northeast area will support the future carbon capture initiative announced by Federated Cooperators Limited on October 21, 2021.

OTHER OPTIONS

Deferral

Deferral of the serviceability study and preliminary design would lead to a continued gap in understanding of servicing strategies for the northwest and northeast of the City and will lead to an un-achievable deadline for provision of services to Viterra.

In-House Design

Internal resources are fully allocated to other initiatives, ongoing reactive maintenance work and capital projects. Other projects would have to be delayed to advance this project using in-house resources.

COMMUNICATIONS

None with respect to this report.

DISCUSSION

Engineering consultants are required to determine servicing solutions for wastewater and potable water for the NE Economic Development Project (Project). The catchment area for the Project includes land north of the refinery and east of Winnipeg Street and specifically services to Viterra and FCL/AGT. The Project catchment area also includes the land west of Winnipeg Street, remaining developments within City limits including McCarthy North, Skywood, Torkin Industrial, portions of Hawkstone, Hawkstone Industrial, portions of Kensington Greens, Somerset and Kensington Greens/Somerset Industrial. These areas include a mix of residential, industrial and commercial uses.

Previously, northwest and northeast serviceability studies were completed in 2008 and 2012, respectively. These studies did not contemplate the significant and specific needs of the proposed Viterra and FCL/AGT projects. Updates to these studies are required to accommodate servicing requirements and will incorporate changes that have occurred in the water and wastewater systems.

The Project will advance required existing system improvements and system expansion of the Northwest Wastewater Trunk catchment area and associated water network to ensure service is ready and available where and when it is needed.

Through this project serviceability strategies will be developed and predesign options and solutions will be identified for near-term servicing needs. With predesign options identified, the City may transition to detailed design, tender and construction of the recommended infrastructure for the service area expansion dependent on consultant performance and budget availability.

Prioritization of near-term servicing needs, such as requirements from Viterra for wastewater service by Fall 2024, will help direct the focus of this project, however a global view will be maintained by ensuring the servicing strategies address the needs for the entire north of the City.

The next step toward the implementation of the project is to engage an engineering consultant and leverage their expertise for completion of the serviceability study and preliminary design, then if required, proceed into detailed design, tender and construction services.

DECISION HISTORY

The recommendations contained within this report require City Council approval.

Respectfully submitted,

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Chad Jedic, Director, Economic & Business Development


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