

EXECUTIVE COMMITTEE

Wednesday, September 5, 2012 11:45 AM

Henry Baker Hall, Main Floor, City Hall



Public Agenda Executive Committee Wednesday, September 5, 2012

Approval of Public Agenda

Minutes of the meeting held on August 15, 2012.

Administration Reports

EX12-36 Recycling Fee Charge

Recommendation

- 1. That all designated properties be charged \$0.25 per day or \$91.25/year for residential recycling services.
- 2. That the recycling fee be established and effective from July 1, 2013 to December 31, 2015.
- 3. That the City Solicitor be instructed to prepare an amendment to *The Waste Management Bylaw 2012*, No. 2012-63 to incorporate the daily fee of \$0.25 into the Bylaw.
- 4. That this report be forwarded to the September 17, 2012 meeting of City Council.
- EX12-37 Regina Revitalization Initiative (RRI) Mosaic Stadium Replacement Procurement Model Selection

Recommendation

- 1. That City Council authorize the Deputy City Manager & CFO to proceed with the Design/Build/Finance (DBF) procurement approach for the replacement of the Stadium, and to proceed with the preparation of the procurement documents (RFQ & RFP) and processes in support of initiating the DBF model.
- 2. That Administration prepare evaluation criteria for the Request for Qualifications (RFQ) and Request for Proposal (RFP) procurement process and bring the evaluation criteria back to City Council for approval prior to release of procurement documentation.
- 3. That up to \$2.5 million is authorized to be transferred from the General Fund Reserve to support the DBF procurement process in 2012/13.



- 4. That Administration brings the conceptual design of the stadium and the definitive agreements with the stadium funding partners to City Council for final approval prior to issuing the RFP for the DBF procurement.
- 5. That Administration develops an agreement with Regina Exhibition Association Ltd. (REAL) for the operations and maintenance of the new stadium, with the final agreement to be brought back to City Council for approval.

EX12-38 Changes to The Regina Administration Bylaw No. 2003-69 -Community Investment Reserve

Recommendation

That the City Solicitor be instructed to prepare the necessary amendments to *The Regina Administration Bylaw*, Bylaw No. 2003-69 to incorporate a minimum and maximum balance for the Community Investment Reserve as follows:

Committee	Minimum Balance	Maximum
Balance		
Community and Protective Services	\$0	\$175,000
Finance and Administration	\$0	\$25,000
Executive	\$0	\$150,000
Total Balance	\$0	\$350,000

EX12-39 Final Draft Transportation Directions for Transportation Master Plan

Recommendation

That the Transportation Directions as determined through the Transportation Master Plan project be endorsed. The Transportation Directions are as follows:

- Offer a range of sustainable transportation choices for all
- Integrate transportation and land use planning
- Elevate the role of public transit
- Promote active transportation for healthier communities
- Optimize road network capacity
- Invest in an affordable and durable system
- Support a prosperous Regina and region



Informational Reports

EX12-40	Upper Qu'Appelle Conveyance Project
	Recommendation That this report be received and filed.
EX12-41	Regina Downtown Neighbourhood Plan Implementation Update

Recommendation That this report be received and filed.

Adjournment

AT REGINA, SASKATCHEWAN, WEDNESDAY, AUGUST 15, 2012

AT A MEETING OF THE EXECUTIVE COMMITTEE HELD IN PUBLIC SESSION

AT 11:45 AM

These are considered a draft rendering of the official minutes. Official minutes can be obtained through the Office of the City Clerk once approved.

- Present: Councillor Jocelyn Hutchinson, in the chair Councillor Louis Browne Councillor Fred Clipsham Councillor John Findura Councillor Michael Fougere Councillor Wade Murray
- Regrets: Mayor Pat Fiacco Councillor Sharron Bryce Councillor Terry Hincks Councillor Mike O Donnell Councillor Chris Szarka
- Also in City Clerk, Joni Swidnicki
 Attendance: City Manager, Glen Davies Deputy City Clerk, Amber Smale
 Acting Deputy City Manager, Corporate Services, Chuck McDonald
 Deputy City Manager, City Operations, Dorian Wandzura
 Deputy City Manager, Community Planning & Development, Jason Carlston
 Executive Director, Governance & Strategy, Jim Nicol
 Director of Development Engineering, Kelly Wyatt
 Legal Counsel, Jana-Marie Odling

APPROVAL OF PUBLIC AGENDA

Councillor Wade Murray moved, AND IT WAS RESOLVED, that the agenda for this meeting be approved, with the addition from the City Clerk to add item EX12-35 immediately before item EX12-24.

ADOPTION OF MINUTES

Councillor Louis Browne moved, AND IT WAS RESOLVED, that the minutes for the meeting held on July 18, 2012 be adopted, as circulated.

TABLED REPORTS

EX12-35 Communication from Stu Niebergall, Regina & Region Home Builders' Association

Recommendation

That this communication be received and filed.

Councillor Michael Fougere moved, AND IT WAS RESOLVED, that this communication be received and filed.

EX12-24	Acquisition of South East Lands from Saskatchewan Housing Corporation
	requisition of South East Eanas non Suskatene wan frousing corporation

Recommendation

- 1. That the purchase of the land described in this Report from the Saskatchewan Housing Corporation be approved.
- 2. That City Manager or his designate be authorized to negotiate and finalize the details of the land sale agreement.
- 3. That the City Solicitor be instructed to prepare the land sale agreement and the City Clerk be authorized to enter into the agreement on behalf of the City.
- 4. That the City Manager or his designate be authorized to request that the Saskatchewan Housing Corporation release the funds held in trust, from the Windsor Park Phase IV development agreement to the Social Development Reserve.
- 5. That the \$7.825 million purchase price be funded by way of \$7.3 million from the Social Development Reserve and the remainder of \$525,000 be funded from the General Fund Reserve.
- 6. That revenue realized from the development of this land be used to meet the commitments of the Social Development Reserve.
- 7. That a further report be provided to Executive Committee in Q4 of 2012 outlining the potential models for developing these lands, including the risks, benefits, and the next steps.
- 8. That the City Solicitor be instructed to prepare the Land Acquisition and Holding Termination agreement and the City Clerk be authorized to enter into the agreement on behalf of the City.

Councillor Fred Clipsham moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.

ADMINISTRATION REPORTS

EX12-34 Special Event Funding

Recommendation

That the École Connaught Centennial Committee application for community investment funding of \$10,000 to support the Community Arts Celebration be approved from the Special Event Funding Program.

Ms. Patricia Elliott, representing the École Connaught Centennial Committee addressed Executive Committee. The delegation answered a number of questions.

Councillor Fred Clipsham moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.

RESOLUTION FOR PRIVATE SESSION

Councillor Fred Clipsham moved, AND IT WAS REOLVED, that in the interests of the public, the remaining items on the agenda be considered in private.

Councillor Louise Browne moved, AND IT WAS RESOLVED that the meeting recess for 5 minutes.

Meeting recessed at 12:13 pm

Chairperson

Secretary

September 5, 2012

To: Members, Executive Committee

Re: Recycling Fee Charge

RECOMMENDATION

- 1. That all designated properties be charged \$0.25 per day or \$91.25/year for residential recycling services.
- 2. That the recycling fee be established and effective from July 1, 2013 to December 31, 2015.
- 3. That the City Solicitor be instructed to prepare an amendment to *The Waste Management Bylaw 2012*, No. 2012-63 to incorporate the daily fee of \$0.25 into the Bylaw.
- 4. That this report be forwarded to the September 17, 2012 meeting of City Council.

CONCLUSION

The Administration is recommending that a recycling fee of \$91.25/year be introduced to designated properties as defined in *The Waste Management Bylaw 2012*. The recycling fee will provide for the full cost recovery of the residential recycling service. Those costs include:

- The new costs for recycling collection and processing;
- Internal costs for Waste Minimization staff to provide the new service and existing recycling programs;
- An all inclusive corporate overhead at 22%; and
- The costs to address increases in Consumer Price Index (CPI) and possible financial risk.

Residents would begin paying the new fee on the first day of the new service, which is targeted for July 1, 2013. The fee would continue to December 31, 2015, at which time there would be a review of the fee and an appropriate recommendation to Council.

BACKGROUND

On January 18, 2011 (CR10-147), Council confirmed its commitment to Waste Plan Regina (Enhanced Services), which included the introduction of a property side residential recycling service. In addition, Council requested that the Administration return to Council with additional information to address a number of issues with the proposed implementation plan. Information was brought forward for the March 23, 2011, meeting of Executive Committee and further considered by Council on April 4, 2011 (CR11-32). Council further made the decision at that April 4th meeting to retain charging for garbage from the General Operating Fund and introduce a new user fee for recycling.

On April 26, 2011, Council instructed the Administration to further review potential private involvement in providing recycling services. Administration returned to Council on October 17, 2011 (CR-124), with a report outlining the Request for Proposals (RFP) to be issued. On June 25, 2012 (CR12-100), City Council approved the preparation of a new waste management bylaw which included the provision for a user fee for recycling service.

DISCUSSION

Recycling Fee

The following costs are included in the recommended recycling fee:

- <u>Collection contract</u>: The City issued an RFP for the delivery of the residential recycling collections. The RFP was based on the provision of a co-mingled recycling service to an estimated 63,500 designated properties. The contract was awarded to Loraas Disposal Services Ltd.;
- <u>Materials processing contract</u>: The City issued an RFP for the construction and operation of a materials recovery facility (MRF) to separate and market recyclable products. The processing contract was awarded to Emterra Environmental;
- <u>Internal Service Delivery (ISD)</u>: Staff time and resources are required to manage both the collections and processing contracts. In addition, the fee will also encompass the costs of delivering existing recycling services and initiatives to residents;
- <u>Corporate Overhead</u>: The recycling fee incorporates corporate overhead costs of delivering the service at a rate of 22%; and
- <u>Financial Risk & CPI Increases</u>: The fee includes annual increases for inflation at 2.36% and costs related to risk. The highest risk component relates to the processing of recyclables and the increasing costs to the processor if there is a high rate of contamination in recycling loads.

The following chart illustrates the cost breakdown of the recycling fee:



The cost of the collections and processing contracts accounts for the bulk of the recycling fee at 69%. Internal staff costs account for 19%, risk accounts for 9% and Corporate Overhead 3% respectively.

Estimated Program Costs

The analysis in Table 1 outlines the estimated external and internal costs of providing recycling services. In developing the analysis for Table 1 the cost relating to MRF processing and revenue share are based on assumptions of tonnes collected, recovery, contamination rates and market rates for the materials. Risks associated with these assumptions are addressed in the financial risk analysis section of this report.

Table 1 – Estimated Costs

		# of Carts	Annual Fee/Cart
Direct External Costs:			
MRF Processing fee	\$1,715,652		
Less Revenue Share	-\$274,270		
	\$1,441,382	63,500	\$22.70
Collection Service	\$2,640,228	63,500	\$41.58
Total External Costs	\$4,081,610	63,500	\$64.28
Admin Current			
Waste Minimization	\$826,289		
	\$826,289	63,500	\$13.01
Admin New			
Communications	\$200,000		
Cart purchase	\$18,425		
Billing	\$48,867		
	\$267,292	63,500	\$4.21
Corporate Overhead	\$181,784	63,500	\$2.86
Financial Risk & CPI	\$437.400	63.500	\$6.89
	••• •••		+
Total Internal Costs	\$1,712,765	63,500	\$26.97
Total for full recovery of Costs	¢5 704 275	63 500	¢01.25
Total for full recovery of costs	φ υ,194,315	03,500	φ91.23

Based on the above analysis, customers would need to be charged \$91.25/year, to cover the internal and external costs for recycling services. This includes an amount estimated for the financial risk related to the processing and CPI increases over the 30 month period.

Financial Risk

The majority of the financial risk is directly related to public participation and processor effectiveness. If the public participates incorrectly (i.e. low volumes and high contamination) and if the materials processor is not effective in processing and marketing the material then the financial risk increases. The current agreement with the materials processor, applies a sliding scale rate for processing based on annual tonnage and a contamination rate. In other words, the processing fee is higher for less material with more contamination or lower for more material and less contamination.

The processing contract contains a revenue share component for the City. If markets are strong, the City's benefit will be greater than if markets are weak. Risk management of the variable processing rate and revenue share program needs to be built into the recycling fee.

Consumer Price Index

Both contracts have inflationary cost escalators based on the actual changes in the CPI. An average CPI – Regina rate of 2.36% was applied to determine the potential increases to the contractual rate over the 30 month period being analyzed. The CPI - Regina rate was determined by taking an average of the CPI increases over the last five years.

Proposed Fee

Taking into consideration the estimated costs, the CPI increases year over year and the exposure of the processing fees and revenue share program the Administration is recommending an annual fee of **\$91.25**. To validate the proposed fee, sensitivity analysis' were completed taking into account contamination levels, volume of recyclables, number of recycling carts deployed and rate variations. The recommended rate of \$91.25 applies a conservative approach and allows for an easily calculated daily rate.

Fee Schedule

The residential recycling fee will come into effect on the first day of service, July 1, 2013. The recommendation to Council will establish the fee up to December 31, 2015. A 30-month fee schedule is being recommended at this time, in recognition of the fact that this is a new service and adjustments may be required as we gain more experience. Renewal of a large number of garbage carts in 2016 provides an opportunity to review the entire suite of user pay solid waste and recycling services based on the success of residential recycling. The next cycle of fee setting for the water and sewer utility is from 2014 to 2018. It may be advantageous to parallel the fee schedule for residential recycling services with the Utility in the future. If so, a 2-year fee could be set from 2016-2018, at which time a four year fee could be brought in to align with the Utility fee setting schedule.



Recycling fees are unlikely to increase substantially over CPI. The current contracts with the two service providers include small inflationary cost adjustments and the remaining cost increases will be based on internal cost of service increases. There is a possibility that there is greater than expected variability in recycling markets or contamination rates; however, the Solid Waste Reserve has sufficient capacity to address those potential challenges over the 30-month timeframe. The proposed schedule will give the corporation the flexibility to be responsive and make adjustments to the fee.

Bill Presentation

Customers of the recycling service will be charged via their monthly utility bill and the amount will be based on the number of carts deployed to their property. The details of the calculation and the exact bill presentation are still in development.

Cross Jurisdictional Fee Comparison

A review of Western Canadian cities' waste management services and fees was completed to compare Regina's competitiveness (see Appendix A). Differences in local markets, program size and scope, as well as fee collection methodology make it difficult to provide direct comparisons.

Saskatoon has awarded an RFP and is currently negotiating contract details for collection and processing. A final recycling fee is yet to be determined based on the results of these negotiations and considerations of other costs.

Enhanced Services

Council's original endorsement of Waste Plan Regina included the Administration introducing further enhanced waste services that the City is not currently providing, namely:

- Bulky waste;
- Leaf and yard waste; and
- Household hazardous waste collection.

Work is currently underway to analyze options for these services and their costs in order to bring recommendations to Council. A significant part of the analysis of these new enhanced services will be to determine the way they are funded. Broadly speaking, any one or all of these enhanced waste services can be funded through a user fee, through the general fund or as a direct cost to the Solid Waste program. Also, the services could be operated directly by the City, or contracted out to the private sector similar to the recycling service. All of the options need to be further assessed.

Consideration of additional enhanced services will be brought forward in 2013, with implementation of some enhanced services being phased in as early as 2013.

RECOMMENDATION IMPLICATIONS

Financial Implications

The recycling fee will be \$91.25/year (billed at \$0.25/day) and collected through the Utility bill. The fee covers all the direct and indirect costs of recycling, including internal corporate overhead as well as an amount to mitigate financial risk.

There is a considerable complex financial risk that ranges from a loss of \$661,500 to a surplus of \$921,000 for the first 30 months of providing the service. The Solid Waste Reserve will function as an operating financial stabilization fund to cover the contract escalators, market volatility and public acceptance of the service. The Reserve balance will be reviewed regularly as part of the rate review process.

Environmental Implications

City Council has established a target to reduce the amount of waste going into the landfill by 40%. This residential recycling program will help move the City closer to this target.

Strategic Implications

The recommendation is consistent with the corporation's focus on financial sustainability. The fee will ensure that customers are paying for the full cost of providing the recycling service. Changes in the cost of the service over time will be reflected in increasing rates to match those costs. Additionally, funding current recycling activities through the residential recycling fee will shift pressure that currently exists in the General Fund, providing increased capacity to address other public priorities.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

Immediately after a rate is approved, a community-update brochure will be delivered to all single-family residences. A communications strategy for recycling implementation is in development and will include a series of campaigns to build awareness and encourage effective participation.

DELEGATED AUTHORITY

This report requires approval from City Council.

Respectfully submitted,

Rellows

Derrick Bellows Director Special Projects Secretariat

DB/fm/cp

Respectfully submitted,

W. Dorian Wandzura Deputy City Manager & COO City Operations

APPENDIX A

COMPARISON OF COSTS & SERVICES FOR WESTERN CANADIAN CITIES

City Vancouver	Type of Service • Garbage • Recycling • Yard trimmings	Fee / Year • \$99 to \$216 • \$32 to \$104 • \$46 to \$75	 Other Comments Garbage and recycling are mandatory and fee varies on container size or number of pick ups for recycling. Yard trimming program offers residents an additional container for their use.
Edmonton	• Full service	• \$398.40	• Full service includes all waste services (waste collection, blue bag/bin collection, eco stations, assisted collection, recycling depots, reuse centre, big bin events and waste management operations).
Calgary	GarbageRecycling	\$57.18\$86.38	One container size.Piloting a green cart program for food and yard waste.
Saskatoon	GarbageRecycling	No feeTBD	New recycling program to be launched in 2013.Contracts are currently under negotiation.
Winnipeg	GarbageRecycling	• \$51.10 (combined fee)	New service being implemented.Fee is net of Provincial funding.
Regina	GarbageRecycling	No fee\$91.25	 Complete garbage collection conversion to carts in 2012. New residential recycling service to be implemented July 1, 2013.

- To: Members, Executive Committee
- Re: Regina Revitalization Initiative (RRI) Mosaic Stadium Replacement Procurement Model Selection

RECOMMENDATION

- 1. That City Council authorize the Deputy City Manager & CFO to proceed with the Design/Build/Finance (DBF) procurement approach for the replacement of the Stadium, and to proceed with the preparation of the procurement documents (RFQ & RFP) and processes in support of initiating the DBF model.
- 2. That Administration prepare evaluation criteria for the Request for Qualifications (RFQ) and Request for Proposal (RFP) procurement process and bring the evaluation criteria back to City Council for approval prior to release of procurement documentation.
- 3. That up to \$2.5 million is authorized to be transferred from the General Fund Reserve to support the DBF procurement process in 2012/13.
- 4. That Administration brings the conceptual design of the stadium and the definitive agreements with the stadium funding partners to City Council for final approval prior to issuing the RFP for the DBF procurement.
- 5. That Administration develops an agreement with Regina Exhibition Association Ltd. (REAL) for the operations and maintenance of the new stadium, with the final agreement to be brought back to City Council for approval.

CONCLUSION

Based on the affordability results of the stadium financial model, the P3 Market Sounding process, delivery model assessment and risk assessment that were conducted, the City should proceed with a Design/Build/Finance (DBF) Public Private Partnership (P3) for the replacement of Mosaic Stadium. A transfer of \$2.5 million from the General Fund Reserve is required to support the contractual offers in 2012 for the associated planning, management, land servicing and environmental costs. This process will allow the City to achieve its community objectives, while sharing risk and leveraging the capabilities of the private sector to most effectively deliver a replacement for Mosaic Stadium.

The Administration considered the Design Build Finance Maintain (DBFM) model; however, the synergies of combining the operating and maintenance components under one provider were significant enough to limit the procurement to a DBF model. The Administration continues with the establishment of a new municipal corporation to leverage the capabilities of REAL as the long-term stadium operator and maintenance provider, while ensuring the desired community benefits are achieved.

The capital construction for the new stadium, inclusive of land and land servicing costs, is \$278.2 million. The DBF model will use a guaranteed maximum price concept in the RFP process to minimize the risk of cost over runs. The 30 year financing and maintenance costs are estimated at up to \$675 million, and are currently projected at \$664 million in the DBF financial analysis (\$193M maintenance, and \$471M in debt financing and interest charges). The long term maintenance costs may be reduced dependent on the conceptual and final design elements that are established.

As the RRI project moves forward, new issues and opportunities continue to develop, requiring ongoing adjustments and consideration of the potential scenarios. City Administration continues to measure and evaluate these issues and opportunities against City Council's Vision and Guiding Principles for the project. Based on the evaluation performed, it is expected that the DBF model will deliver the procurement objectives that were identified as follows.

KEY OBJECTIVES MET – DESIGN, BUILD, FINANCE model	
Achieve value for taxpayers	\checkmark
Reduce risks during design and construction	✓
Accelerate project completion	✓
Improve on-time delivery	\checkmark
Reduce exposure to cost overruns during construction	✓
Allow private sector innovation in design and construction	\checkmark
Incorporate private sector financing	\checkmark

BACKGROUND

The Regina Revitalization Initiative was formally initiated by City Council on May 30, 2011. It was discussed at that time that a process was to be developed to define a vision for the lands and a shared understanding of the outcomes of the project, which would see residential, commercial and retail development including a new state of the art facility to replace Mosaic Stadium.

On June 17, 2011, a formal business unit was created within the City Manager's office. Internal staff has been seconded to support the project and an internal Steering Committee has been created to guide the various project elements.

Based on the need to establish a clear future direction for the project, the Administration and external consultants, held a visioning session with members of City Council. City Council approved the Vision and Guiding Principles on August 22, 2011.

One of the focuses of the RRI project is to replace Mosaic Stadium. In the fall of 2011, a Market Sounding process was initiated through a consultant to assess the best delivery model that could be used to construct and operate a new stadium, and determine the interest in and feasibility of a P3 procurement process. The research resulted in a DBFM P3 model as a feasible approach to achieve the City's procurement objectives. On December 19, 2011, Council approved Administration to pursue the development of a process to establish a DBFM P3 procurement approach to construct and operate the replacement for Mosaic Stadium, with the final plan to be provided to City Council for approval.

In preparation for P3 procurement, on March 26, 2012, Council approved changes to the Regina Administration Bylaw 2003-69 to include Public Private Partnerships as an alternative procurement tool to the traditional procurement method. In addition, several RFP's have recently been awarded: ZW Group of Companies as the Project Manager, Mott MacDonald as Owner's Engineer and Architectural Advisor, Deloitte & Touche LLP as Financial Business Advisor for Phase 1 and P1 Consulting as Fairness Advisor to support the procurement decision-making and process.

This report provides Council with a summary of the analysis undertaken to determine the preferred P3 procurement model for the replacement of Mosaic Stadium and the next steps in the P3 process. The detailed analysis is attached in Appendix A.

DISCUSSION

On March 26, 2012, Council approved the City's P3 procurement process.

The City's P3 policy framework identified three phases that requires Council approval.

Phase 1:	The Delivery Model Assessment Process:
	· Screening Assessment; and
	Strategic Assessment
	This portion was approved by Council December 19, 2011.
	Value for Money Business Case
	The Value for Money Assessment was prepared by Deloitte, and the results are presented as part of this report.
Phase 2:	The Procurement Process – to proceed with a DBF P3 procurement.

Phase 3: The Contract Management Process – delegate authority to the Deputy City Manager to enter into a P3 project agreement with a preferred proponent subject to an unqualified opinion on the P3 process from the Fairness Advisor. Then proceed into project implementation followed by contract management.

This report is requesting Council approval on the first step of Phase 2, based on the results of the Phase 1 analysis. While the further development of Phase 2 is ready to begin, before this can be completed and Phase 3 can be initiated, City Council will need to approve the conceptual stadium design, the definitive funding agreements, and the evaluation methodology for the award of the RFP.

P3 DBF vs. DBFM Decision

Initial analysis of the DBFM model was completed in 2011 with a comparison to a Design-Bid-Build (DBB). It was determined that the DBB model did not meet the risk allocation requirements, including on-time delivery and cost certainty, and should not be pursued.

Through further research and analysis, it was determined that a comparison between a DBFM and DBF would be a more appropriate comparator. This comparison was used for the Value for Money Analysis. The results of the Value for Money Analysis showed that the difference between the two models was not economically significant. This meant the financial results should be similar and other factors would need to be considered to confirm a recommended approach.

Although there are no risks transferred to the successful proponent for the maintenance component in the DBF, the risk transfer for the design and construction phase is similar in both models and properly managed will result in an on-time, on-budget project delivery. It should be noted that the maintenance component described also includes major repairs and rehabilitation requirements over the long term.

The advantages, disadvantages and retained risks are further explained in the following section.

Both Models will provide the following benefits:

- A single source of responsibility for design and construction. The design, construction and financing services are contracted by a single entity known as Project Co.
- Price certainty for design and construction, use of a guaranteed maximum price.
- Contractor bears responsibility for design completion and coordination, minimizing change orders during construction.
- Contractor is responsible for both construction and design defects. The City can recover directly from the contractor for deficiencies in either design or construction of the project. Therefore, the City need not determine initially whether a defect was caused by an error in design or construction.
- Contractor bears any additional costs that may occur as a result of using defective or inadequate plans prepared by the architects and engineers.
- Faster project delivery to minimize inflationary costs. Construction can begin before the project's final plans and specifications are complete.

Both Models have the following risks:

- Unless the scope (performance specifications) is well-defined, the City is at risk for quality.
- Must balance between ensuring the specifications meet the funders' requirements vs.
 "over designing". The more advanced the design, the less opportunity the successful proponent has to bring innovation and design tailoring to achieve the most efficient and economic methods and outcomes.
- City has less control over the non-mandatory elements of the final design.
- City-initiated changes/variations after the conceptual/reference design will cause change orders and costs increases.

Both Models will follow the following procurement process:

- Request for Qualifications (RFQ) used to shortlist to three qualified proponents.
- Request for Proposals (RFP) used to select a Preferred Proponent. The RFP would include output specifications and a draft project agreement.
- An affordability cap concept would be identified in the RFQ and firmed up as an amount in the RFP. The cap would set an upper limit for the capital cost of the project. Proponents would be allowed to reduce the scope of the Project utilizing a scope ladder to come in under the cap.
- A conceptual design prepared by the City's Technical Advisor and based on stakeholder consultation would be included in the RFP. Bidders would be allowed to innovate and deviate from the design so long as the output specifications can be met.
- Consideration of lifecycle costs of the project will be included in the RFP evaluation.

DBF model has following additional advantages and disadvantages:

Design, Build, Finance (DBF) – The design, construction and financing services are contracted by a single entity known as Project Co. Project Co.'s obligations end when the construction and warranty period are completed. Project Co. has no responsibility for ongoing maintenance as compared to the DBFM model.

Advantages:

- i. Moderate cash flow savings over a 30 year period minimizing anticipated mill rate increases;
- ii. Project agreement will be structured with a significant holdback provision;
- iii. Allows for the integration of the M (maintenance) and O (operations) under one provider (REAL);
 - One point of contact for maintenance and operation;
 - Incentive on provider of O and M services to maintain facility so that revenue is not impacted on the operations side;
 - No conflict or coordination issues between Maintenance and Operation Group;
 - Better understanding of facility issues by Operations Group can translate to a more efficient maintenance plan;
 - Allows for improved day to day coordination and use of resources with other activities at Evraz Place; and
 - Allows for consistency in staff training and policies.

Disadvantages:

- i. No risk transference of maintenance component, cost of maintenance is not guaranteed for any time period; and
- ii. Future City Council decisions to decrease maintenance fund could impact the life cycle costing of the facility maintenance.

DBFM model has following additional advantages and disadvantages:

Design, Build, Finance, Maintain (DBFM) – The design, construction, financing and maintenance services are contracted by a single entity known as Project Co. Project Co. has an ongoing responsibility during the concession period (typically 30 years to maintain the facility).

Advantages:

- i. A single source of responsibility for maintenance in addition to the design and construction;
- ii. Cost certainty for entire concession period, in essence provides a 30 year warranty on the stadium; and
- iii. Maintenance entity may give more consideration to long-term impacts of products and systems during design phase (i.e. quality of mechanical systems, or quality of carpet, millwork, etc.).

Disadvantages:

i. Cost of financing by Private Sector (Project Co.) is higher, City's cash flow requirements are moderately higher which could result in higher mill rate increases;

- ii. Does not allow for the integration of the M (maintenance) and O (operations) under one provider (REAL);
 - Loss of synergizes between Maintenance and Operation providers; and
 - Potential coordination and conflict issues between Maintenance and Operation providers.
- iii. More complex contract agreement and terms for Maintenance component. Project Co. would need to have experience with, or contract with stadium specific maintenance entities (i.e. stadium lighting, sound system, field of play, video boards) many typical maintenance companies are not familiar with these items day to day or on a longer term basis. Also, often times purchase of the stadium specific components also involves a longer term maintenance commitment for that product; and
- iv. Cost of alterations to the facility during the 30 year concession period will be more costly.

Taking into consideration the advantages and disadvantages, the DBF model provides the City with the best procurement solution. In addition to the various factors noted, the ability to have both the operations and maintenance provided by REAL provides the best opportunity for the lowest total cost of ownership, while ensuring asset integrity is maintained over the long term. Based on the approval of the recommendations in this report, an agreement that establishes the performance requirements for REAL will be developed, and REAL will continue to support the City throughout the procurement and design process.

Value For Money Analysis Summary

In developing the Value for Money Analysis (VFM) (see Appendix A) two procurement models were compared:

- a. Design, Build, Finance, Maintain
- b. Design, Build, Finance (with a Guaranteed Maximum Price)

As identified in the VFM Report, assuming a \$278.2M affordability cap, the value for money result as a percentage is positive 1.3% to negative 0.7% (amounts above 0% deliver value for money as compared to the alternative). In essence the VFM shows that the difference between the two models is not economically significant.

The cash flow analysis refined previous maintenance estimates to consider only the hard costs requiring ongoing maintenance. These estimates will be refined further as the conceptual and final design becomes more certain. In the current cash flow analysis, with maintenance at 2% of construction cost (\$193M over 30 years), and removing retained City risk, the funding comparative between the mill rate and debt for the DBF and DBFM models are:

- Mill rate comparison:
 - DBF Mill Rate increase is estimated at between 0.45 per year for ten years
 - DBFM Mill Rate increase is estimated at 0.479 per year for ten years
- In addition to the \$100 million loan from the Province, both models require City debt in the amount of \$130 million: however, in the DBFM model \$35 million is debt assumed directly by the City and \$95 million is assumed through the Private Sector which would be repaid by the City over the 30 Year Concession Period.

Based on the cash flow analysis, the procurement model with the lowest mill rate impact to citizens would be the DBF model. See below the "Stadium Cash Flow Decision Matrix" for comparison.

Stadium Cash Flow Decision Matrix

	City Debt Requirement	Incremental Mill Rate	Total Cumulative Mill Rate \$
DBFM - \$95M @ 2.0% Mtce of Construction Cost	35,000,000	0.479	327,411,986
**DBF - 6 Month @ 2.0% Mtce of Construction Cost	130,000,000	0.450	307,589,549
Possible Lower Maintenance Options:			
DBF - 6 Month @ 1.75% Mtce of Construction Cost	130,000,000	0.415	283,665,917
DBF - 6 Month @ 1.5% Mtce of Construction Cost	130,000,000	0.400	273,412,932
Note:			

** Recommended option.

For the purposes of this analysis, ongoing maintenance costs utilized best practice facility management ranges of 1.5% to 2.0% of the facility cost on an annual basis. These maintenance costs may be reduced based on the final design of the facility, but for the purposes of this analysis the higher end of the range has been compared to ensure the more conservative approach was used.

Cost Estimates

As of May, 2012, Mott MacDonald was engaged as the Owner's Engineer and Architectural Advisor to develop a procurement process and provide preferred conceptual stadium design with overall project timelines. The conceptual planning process began in June 2012. The resulting preliminary conceptual design, including a spectator roof, is based on an affordability budget of \$250 million (including escalation costs, but excluding land-related costs). The stadium conceptual design(s) will be brought to Council in a future report, once the technical work has been completed and the public has had the ability to understand and comment on the concepts being developed.

Deloitte, through Phase 1 of the P3 procurement, has assisted the City in developing and finalizing the financial analysis. Using the affordability cap and cost estimates from the Owner's Engineer, and estimates on risk transfer and payment mechanism, a financial model was created with a summary of the costs below:

	Estimated Costs in Millions \$
Capital	
Capital (all inclusive of contingencies/escalation/ancillary/furniture/fixtures & ancillary costs)	250.0
Land Servicing & Environmental	28.2
Sub-total Capital	278.2
Finance and Maintenance (includes repayment of some capital contributions)	
Debt Financing, Servicing Fees and Interest	471.0
Maintenance Cost @ 2.0%	193.0
Sub-total Financing and Maintenance Costs	664.0

The financial model and the cost estimates have included a cap on capital costs (stadium, land and land servicing) to an overall budget of \$278.2 million.

In December 2011, Council approved Administration to pursue the development of a process for a DBFM P3 to construct and operate the replacement for Mosaic Stadium. All public financial information presented until now has been based on the P3 DBFM financial model. However, as this report suggests that a P3 DBF model is the best City procurement alternative, all financial information presented in this report related to cash flows are based on a P3 DBF model.

The P3 DBF model was used to develop a 30 year cash flow analysis. In the DBF model, substantial capital construction costs are paid to the successful proponent after 100% construction completion. The City will have only \$205 million of the cash before construction completion; therefore, the City will require City debt for its portion of the capital, plus pay back the Provincial Government loan of \$100M over 30 years. As the maintenance is not part of the DBF model, maintenance is assumed to be paid over a 30 year period; therefore, cash flows have been presented to reflect the annualized payments over the 30 year term. While other benefits accrue from a P3 approach, such as innovation, and risk transfer, they are not easily represented in a quantitative cash flow analysis.

The financial model cash flow projects an \$80 million contribution from the Province over four years, plus a \$100 million loan from the Province and \$25 million from the SRFC. The remaining \$73.2 million will be provided through City debt, contribution of land and the allocation of municipal revenue streams.

Over the course of the 30 year life cycle of the stadium, the City will be contributing an estimated amount of \$471 million, which includes interest payable on the 30 year financing arrangements, as well as the principal repayment. Maintenance costs of \$193 million are estimated at 2.0% of construction and indexed by inflation compounded over 30 years.

In the financial model, the following assumptions are made:

- 1. Property tax mill rate increase of 0.45% for ten consecutive years starting 2013, plus cumulative growth.
- 2. Hotel Tax or some equivalent source of revenue is raised for municipal purposes by 2016.
- 3. Facility Fee of \$12.00 per game ticket revenue earned by the SRFC and submitted to the City in lieu of loan payment.
- 4. Sponsorship and/or naming rights of \$500,000 annually is provided to the City.
- 5. Inflationary rate of 2.2% annually over 30 years.
- 6. Interest is assumed based on best estimates at current market rates.

If any of these assumptions change or do not come to realization, contingent revenue options will be required, inclusive of additional mill rate increases or other revenue alternatives.

<u>Next Steps</u>

Once Council has approved the procurement model, the next steps are as follows:

- Public Information Process (September November 2012)
 - Provide public with conceptual design
 - Confirm fan experience elements in the design
- City Council approval of Conceptual Design (November December 2012)
- Develop Request for Qualifications (RFQ) (September 2012 January 2013)
 - Develop RFQ evaluation criteria and scoring system
 - Obtain necessary approvals to proceed with release of RFQ
 - Release RFQ
 - Identify Preferred Proponent Shortlist that will be invited to submit a proposal to provide Design, Build and Financing (DBF) services.
- Develop Request for Proposal (RFP) (November 2012 November 2013)
 - Draft Project Specific Output Specifications (PSOS) and Project Agreement(s)
 - Develop evaluation criteria and scoring system
 - Establish Technical and Financial Review Teams
 - Obtain Necessary Approvals to proceed with release of RFP
 - Publically release RFP
 - Evaluate RFP Submissions
 - Select Preferred Proponent
 - Final Negotiation Commercial and Financial Close
 - Obtain Necessary Approvals to award DBF contract
- Start Construction upon approval to award contract (Construction completed in early 2017)

While the RFP process, as noted, may seem to have a long timeline to completion, it is generally consistent with the time required to complete a Design/Build/Finance RFP for a project such as the stadium. The RFP process is a more lengthy one, in that it includes development of the final contract, performance specifications, and evaluation criteria prior to issuance of the RFP, it allows time for the proponents to develop their initial stadium designs and meet with the funders as part of the process, and also considers the evaluation and approval time that will be required to move through each step of the process. As identified, these timelines continue to allow the stadium to be available for use in early 2017. In all cases, City Administration will be working to achieve a shorter timeline if that can be achieved without compromising the diligence required to successfully complete the project.

RECOMMENDATION IMPLICATIONS

Financial Implications

As noted, if any of assumptions in the financial model change or do not come to realization, contingent revenue options will be required, inclusive of additional mill rate increases or other revenue alternatives.

Key assumptions used in the DBF model:

- Capital is based on an upset limit of \$278.2M
- Maintenance is based on 2% of construction costs per annum equal to \$193M over a 30 year period
- Mill rate increase is estimated at 0.45% for ten years
- Proposed Hotel Tax, or equivalent revenue, generates \$80M over 30 years
- City debt of \$130M will be required to cash flow the project. Portions of this debt would be issued directly by private sector proponents and repaid by the City as part of the construction contracts.

The timing of the actual cash outflows for the capital, debt and maintenance commitments will be based on the final contracts with the preferred DBF and maintenance proponents and future debt bylaws. The expenditures are presented below:

Expenditures		
	(in millions)	
Capital:		
Stadium	250.0	
Land Servicing	28.2	
	278.2	
(30 years)	ements:	
Long-Term Financing:		
Provincial Loan	100.0	
Provincial Loan Interest	74.0	
Capital Loan	67.4	
Capital Loan Interest	49.5	
Interim City Debt, Net Interest & Mgt		
Less Fund Balance	180.1	
	471.0	
Maintenance		
Maintenance	193.0	
	193.0	
Total Financing & Maintenance		
(over 30 years)	664.0	

A transfer of up to \$2.5 million from the General Fund Reserve is required in 2012 to proceed with the preparation of the procurement documents (RFQ & RFP) in support of the DBF model and contractual offers for the planning, management, land servicing, and environmental costs associated with the replacement of the Stadium.

It is important to note, based on current construction inflation, delays past early 2017 could result in cost increases of approximately \$1.5 per month. As a result, Administration is moving concurrent elements of the project forward toward City Council approval to begin construction in late 2013 to be able to meet the 2017 target date. The allocation of General Fund Reserve funding will ensure the procurement processes can continue to move forward. However, the primary project elements cannot move forward until City Council approves the funding agreements, the conceptual/reference design, the RFP evaluation methodology, and the allocation of future municipal revenue sources to the project. The \$2.5 million funding allocation has been included within the City's contribution of 73.2 million, as identified in the Memorandum of Understanding with the funding partners.

Environmental Implications

Environmental assessments are currently being completed on the Evraz Place site. To date, no significant issues have been identified. This analysis will be completed prior to initiating an RFP process to ensure the City and potential proponents have an understanding of any relevant environmental factors.

Strategic Implications

A P3 approach to the construction and operation of the stadium will allow the City to achieve its objectives of an effectively designed replacement for Mosaic Stadium that delivers on community needs. The development of a process to partner with the private sector to develop an innovative stadium design should achieve a more effective sharing of project risks and minimize the long-term costs of operating a replacement for Mosaic Stadium.

Other Implications

The Regina Administration Bylaw No. 2003-69 considers Public Private Partnerships to mean a long-term contractual agreement with private sector participants that are involved in not only the initial design and construction phase but their roles extends beyond the initial capital construction of the project to include one or more of the following components being financing, maintenance and operation of infrastructure services. The proposed DBF model includes private sector financing terms that end soon after 100% construction completion. A short-term DBF financing structure with final payment terms after 100% construction completion is considered a P3 model in most jurisdictions. The City will undertake a review of the P3 Policy within the Regina Administration Bylaw to ensure the policy is clear and complete, based on the results of this first P3 procurement.

Accessibility Implications

None related to this report. The conceptual and final design of the stadium will address the accessibility requirements.

COMMUNICATIONS

The MOU between the City, the Province and the SRFC was announced on July 14, 2012. A report outlining key elements of a communications plan for RRI was approved by Council on July 23, 2012. The key outcomes of the communications plan are to build and maintain awareness and understanding for the project in the short term, and build support for RRI in the long term.

The public will be informed of this report through a notice to the media on August 31. The report will be posted to the RRI section of the City of Regina website, along with all other documents related to the project. The City Administration will also coordinate communications with the project partners.

In keeping with the approved communications outcomes, the Administration will continue to keep the public and stakeholders informed of progress and decisions related to RRI.

DELEGATED AUTHORITY

The recommendations in this report require City Council approval.

Respectfully submitted,

Respectfully submitted,

BSis

Brent Sjoberg, Deputy City Manager & CFO

TF/JB/BDS/GD:a Attachment

Glen B. Davies City Manager

Deloitte.

Mosaic Stadium Replacement Delivery Model Selection Value for Money Report

August 10th, 2012 Final Draft

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1. Introduction

1.1 Background

The City of Regina (the "City") continues to advance the Mosaic Stadium Replacement Project (the "Project"). A key upcoming decision point for the Project is the selection of a preferred delivery model which will define the roles and responsibilities of the City and third parties in all facets of the Project including its design, construction, financing, operations and maintenance. This decision is needed to allow the Project to move to the procurement phase.

A strategic assessment of delivery options for the Project was conducted by Deloitte and summarized in a Strategic Assessment Report dated December 9, 2011. The report examined in detail four different delivery models: Traditional Design-Bid- Build (DBB); Private Developer (PD); and two different public-private partnership (P3) models, namely design, build, finance, maintain (DBFM) and design, build, finance, maintain and operate (DBFMO). The primary conclusion of the report was that the Project would best be delivered under a P3 delivery model, specifically a DBFM, subject to the results of a value for money assessment. The report also identified that under the City's P3 Policy Framework (which was draft at the time) the City could proceed with the next phase of its P3 Assessment Process, the Value for money assessment comparing DBFM to Traditional DBB, or proceed to procurement phase with a DBFM based on the favorable results of the strategic assessment.

Given the need for a more detailed understanding of project costs and risk, it was not possible to proceed with value for money assessment until the City retained a Technical Advisor for the project. With the recent appointment of Mott MacDonald as the Technical Advisor and ZW Group as the Project Manager, the City is now in a position to conduct a value for money assessment.

The purpose of this report is to discuss the results of the value for money assessment. Please refer to Deloitte's Strategic Assessment Report for additional background information.

1.2 Scope of Work

The City has engaged Deloitte to provide advice and make recommendations on the delivery model options that may be viable for delivery of the Project. More specifically, Deloitte, through the development of this report, as guided by the City's P3 Policy Framework, undertook a value for money assessment to confirm whether the DBFM remains the preferred delivery model for the Project. The scope of work includes:

- Considering the evolution of the Project since the time of the Strategic Assessment Report to determine implications for the delivery models selected for the value for money assessment;
- Undertaking a quantitative risk assessment to determine the risk profile of the Project under each assessed delivery model;
- Developing a cash flow model of the Project under each delivery model using cost inputs from the Technical Advisor and risk quantification results; and
- Using the cash flow model to determine value for money.

1.3 Limitations

This report was prepared for the exclusive use of the City, and is not intended for general circulation or publication, nor is it to be reproduced or used without written permission of Deloitte. It relies on certain information provided by third parties, none of which Deloitte has independently reviewed. No third party is entitled to rely, in any manner or for any purpose, on this report. Deloitte's services may include advice or recommendations, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and be made by, the City.

2. Project description & methodology

2.1 Project Evolution

Since the time of the Strategic Assessment Report (December 9, 2011), the Project has evolved significantly. The following changes are relevant to the value for money assessment:

- The Project is now to be located on the Evraz Place property. Previously, the location of the Project was anticipated to be within the existing CP land north of the Regina downtown area. This change is relevant as it creates the opportunity for synergy with the existing assets and operations at Evraz Place.
- The City has advanced its discussions with the Regina Exhibition Association Ltd. ("REAL"), the anticipated operator of the Mosaic Stadium Replacement. The City intends to make REAL a City-owned entity. This confirms the operating model that was envisioned for the DBFM model in the Strategic Assessment Report. It is also noted that REAL has expressed an interest in undertaking the maintenance of the new stadium given its role in maintaining other City owned assets at Evraz Place. A maintenance role for REAL was not anticipated in the Strategic Assessment Report.
- Funding sources have been identified. The Province has offered to contribute \$80M to the Project. An additional \$100M in funding has been offered by the Province as a loan to the City for the Project. The Saskatchewan Roughriders Club (Riders) are to reimburse the City for the principal loan payments through a facility ticket surcharge. An additional \$25M funding has been identified by the Riders from internal revenues and sponsorships. These funding sources total to \$205M. We note that a key finding of the market sounding for the Strategic Assessment Report was that the private sector parties interested in delivery models with private finance (i.e., DBFM) are attracted to projects with at least \$100M in private financing requirements. Even with \$205M in available funding, it is possible to structure the Project to allow for \$100M of private financing. The preference for a minimum \$100M is only a guideline for attracting the market as there are many DBFM projects with significantly less private finance.
- The City has set an affordability cap of \$250M for capital costs and the City's out-of-pocket costs to plan and procure the Project through to commissioning. We note that the market sounding for the Strategic Assessment Report communicated a capital cost estimate of \$320M for an "all weather multi-use entertainment centre". The Mosaic Stadium Replacement will be procured without the requirement for a fully enclosed roof so that it fits within the affordability cap. An open-air stadium is a significantly less complex asset than a stadium with an enclosed roof from both a construction and maintenance perspective. However, it is likely that the interior corridors of the stadium will be required to be all-weather, meaning heated and not exposed to the elements.

2.2 Delivery Model Assessment Methodology

Following the City's P3 Policy Framework, and using the guidance of the City's P3 Policy Administrative Manual, the Project is in the Delivery Model Assessment Process phase.

There are three levels of assessment that may be applied to determine if a project should be approved for P3 delivery, described as follows:

Table 1 – Stages of Delivery Model Assessment

Assessment Level	Description	Possible Outcomes
1 - Screening Assessment	High-level comparison of project characteristics against criteria to assist in determining potential suitability of a project for P3 delivery.	Opportunity Paper1. Flag as potential P3 project2. Flag for traditional procurement
2 - Strategic Assessment	A more detailed examination of the risks, costs, market of service providers, and objectives and constraints to identify, at the strategic level, if a project should be procured as a P3, which P3 delivery model(s) is most suitable, and whether or not further assessment is justified.	 Strategic Assessment Report Recommendation for traditional procurement Recommendation to procure project as a P3, including recommended P3 delivery model Recommendation to undertake Value for money Assessment prior to deciding on delivery model
3 - Value for Money Assessment	An extension of the Strategic Assessment, including quantification of project risks and a preliminary comparison of the relative cost of traditional procurement and P3 procurement through cash flow modelling.	 Value for money Report Recommendation for traditional procurement Recommendation to procure project as a P3, including recommended P3 delivery model

The screening assessment and strategic assessment for the Project were previously completed. The preferred P3 delivery model for purposes of the value for money assessment is a DBFM. This report summarizes the findings of the value for money assessment.

A three-step process was used to complete the value for money assessment. The results from each step are presented in subsequent sections of this report.

Figure 1 – Value for Money Assessment Methodology



3. Delivery models

3.1 P3 Delivery Model - DBFM

The DBFM delivery model defined in the Strategic Assessment Report has been refined based on further discussions with the City and its' Technical Advisor and Project Manager. For purposes of the value for money assessment, the DBFM has the following key attributes:

- The private partner will be responsible for designing, building and maintaining the stadium over a long period of time, as well as providing the long term financing for a portion of its capital cost.
- The repayment of capital cost, financing costs and maintenance costs are rolled into a series of uniform performance payments to the private partner made by the City over the term of the maintenance contract (assumed to be 30 years). Only the maintenance portion of the performance payment will be subject to indexation for inflation.
- Capital costs are not paid to the private partner when they are incurred, they are financed by the partner and recovered by the partner in two ways: 1) the portion of the capital cost that is not to be financed over the long term is paid on a milestone basis during construction; and 2) the remaining portion of the capital cost is paid for over the maintenance contract, much like a lease. The proportion of capital costs to be financed long term is a key variable in the value for money assessment.
- The City owns the stadium and the land it's built on the private partner has a license to build and maintain the asset.
- The private partner's maintenance responsibilities will be defined in detail in an output specification but will include at a minimum, all scheduled maintenance, emergency repairs and replacement or investment required to extend the useful life of:
 - the stadium structure;
 - artificial turf;
 - exterior cladding;
 - drip line roofing;
 - seating;
 - lighting;
 - glazing; and
 - electrical and mechanical systems.
- REAL will be responsible for operating the stadium and booking all events at the stadium. In terms of the physical asset, operations will include housekeeping and minor maintenance.

The procurement strategy and process used by the City to engage the private partner is assumed to have the following key attributes:

- Request for Qualifications (RFQ) used to shortlist to three qualified proponents.
- Request for Proposals (RFP) used to select a Preferred Proponent. The RFP would include output specifications and a draft project agreement.
- An affordability cap concept would be identified in the RFQ and firmed up as an amount in the RFP. The cap would set an upper limit for the capital cost of the project. Proponents would be allowed to reduce the scope of the Project utilizing a scope ladder to come in under the cap.

• A conceptual design prepared by the City's Technical Advisor and based on stakeholder consultation would be included in the RFP. Bidders would be allowed to innovate and deviate from the design so long as the output specifications can be met.

The DBFM delivery model was assessed in the Strategic Assessment Report as being of <u>highest</u> benefit to the City in terms of:

- Enhancing the ability to deliver the Project on time;
- Reduce exposure (of the City) to cost over-runs;
- Ensure the proper long-term maintenance of assets;
- Encourage innovation and collaboration drawing on the respective expertise and strengths of the public and private sectors; and
- Reduce overall project risks over the full lifecycle of the Project.

The DBFM was assessed of being <u>medium</u> benefit to the City in terms of ensuring a high level of customer service. It was viewed that delivery models that combine operations and maintenance would have the highest benefit to the City.

The refinements made to the DBFM delivery model have no material implications for the above assessment.

3.2 Public Sector Comparator Selection

The public sector comparator (PSC) is the delivery model that would be utilized by the City if it did not pursue a P3 delivery model.

For most value for money assessments, the PSC is defined as the Traditional DBB delivery model. The Traditional DBB model was defined in the Strategic Assessment Report. In summary, it's a model in which the City would contract with an engineer/architect to develop design documents (detailed design drawings, specifications, etc.) based on the City's requirements. The design documents are then tendered and awarded to the lowest cost construction contractor. The City pays for design and construction costs as incurred and is responsible for operations and maintenance upon commissioning of the asset. Under the DBB, the City has considerable exposure to all project risks including cost overrun, delays, deferred maintenance, and the functionality/performance of the asset.

The DBB delivery model was assessed in the Strategic Assessment Report as being of <u>lowest</u> benefit to the City in terms of:

- Enhancing the ability to deliver the Project on time;
- Reduce exposure (of the City) to cost over-runs;
- Ensure the proper long-term maintenance of assets;
- Encourage innovation and collaboration drawing on the respective expertise and strengths of the public and private sectors; and
- Reduce overall project risks over the full lifecycle of the Project.

Conversely, the criteria regarding ensuring a high level of customer service was rated to be of the <u>highest</u> benefit to the City because of the integrated operations and maintenance function.

Given the poor overall assessment of the DBB and the evolution of the Project since the time of the Strategic Assessment, a new delivery model was identified for consideration that would draw on the maintenance capabilities of REAL while preserving the on-time, on budget risk transfer benefits of the P3 models. This model is the design-build-finance (DBF).

It was decided by the City that the DBF model would be the PSC for purposes of comparing to the DBFM for the value for money assessment.

3.3 Public Sector Comparator – DBF

For purposes of the value for money assessment, the DBF has the following key attributes:

- The DBF contractor will be responsible for designing and building the stadium.
- The repayment of capital cost will be a via a six month holdback of monthly construction costs based on progress (this from of security is described in more detail in the value for money section of the report). Also considered was a related design-build (DB) model where the construction costs would be paid via a monthly draw.
- The City owns the stadium and the land it's built on the DBF contractor has construction contract and
 provides a limited time warranty (usually 1 year max although the Technical Advisor has identified the
 opportunity to obtain extended warranties for certain building components that could extend up to 10
 years).
- REAL or a third party would be responsible for operating and maintaining the stadium. A performance based contract could be utilized but in the case of REAL the risk for performance would flow back to the City as REAL would be a City owned entity. An alternative is for a third party maintenance contract but this is counter to the expected benefit of combined operations and maintenance.
- The City would commit to funding an adequate annual maintenance budget for the stadium (somewhere in the range of 1.5% to 2% of the capital cost).

The procurement strategy and process used by the City to engage the private partner is assumed to have the following key attributes (same as the DBFM):

- Request for Qualifications (RFQ) used to shortlist to three qualified proponents.
- Request for Proposals (RFP) used to select a Preferred Proponent. The RFP would include output specifications and a draft project agreement.
- An affordability cap concept would be identified in the RFQ and firmed up as an amount in the RFP. The cap would set an upper limit for the capital cost of the project. Proponents would be allowed to reduce the scope of the Project utilizing a scope ladder to come in under the cap.
- A conceptual design prepared by the City's Technical Advisor and based on stakeholder consultation would be included in the RFP. Bidders would be allowed to innovate and deviate from the design so long as the output specifications can be met.

For completeness, Deloitte undertook a strategic assessment of the DBF model using the same criteria as set out in the Strategic Assessment Report and reached the following conclusions:

The DBF model is assessed as being of highest benefit to the City in terms of:

- Enhancing the ability to deliver the Project on time (assuming something equivalent to a six month holdback is utilized so that the DBF has a liquid form of security that is comparable with DBFM);
- Reduce exposure (of the City) to cost over-runs (assuming something equivalent to a six month holdback is utilized so that the DBF has a liquid form of security that is comparable with DBFM); and
- Ensure a high level of customer satisfaction (with O and M provided by the same entity although not the DBF contractor).

The DBF model is assessed as being of medium or lowest benefit to the City in terms of:

- Ensure the proper long-term maintenance of assets;
- Encourage innovation and collaboration drawing on the respective expertise and strengths of the public and private sectors; and

• Reduce overall project risks over the full lifecycle of the Project.

3.4 **Project Schedule**

One important criteria that was not assessed for the delivery models in the Strategic Assessment Report which has implications for the value for money assessment is the ability of the delivery model to accelerate the Project.

Based on input from the Technical Advisors, it was determined that either DBFM or DBF delivery models can meet the target opening date of spring 2017. However, given significant cost escalation of 7% per annum forecast for the Saskatchewan construction industry, the ability to accelerate the Project is an important consideration.

Based on schedule analysis, it was determined by the City's Project Manager that the DBF model is likely to advance delivery of the Project by four to six months due to a lower level of complexity and lower level of effort required for development of the procurement documentation.

Deloitte concurs with this assessment of relative complexity, although we believe this lag can be avoided by leveraging DBFM procurement documentation successfully used in other jurisdictions and with experienced legal and financial advisor resources.
4. Value for money assessment

4.1 Overview

The value for money assessment builds on the strategic assessment. The term "value for money" is used to describe the difference in risk-adjusted cost to the City between PSC and the P3 procurement model. The premise of the value for money assessment is that by including the cost of all risks to the City under each model, they can be compared on a financial basis to determine the optimum approach. However, the value for money results should be considered alongside the strategic findings, because while the value for money approach is a highly illustrative tool, it is not perfect and should not be considered in isolation.

As described in the previous section, a DBF delivery model was selected as the PSC. The DBF model assumes a six month holdback of construction costs to achieve a similar profile to a DBFM in term so of cost overrun and delay risk transfer. A straight forward DB model was also quantified that assumed monthly progress draws against a guaranteed maximum price.

For the DBFM model, we also conceived of three different models that vary only in terms of the portion of the capital cost financed by the private partner. The first DBFM model involves the private sector financing the gap between funds available and the affordability cap for a total private financing of approximately \$42.6M. The second DBFM model involves a level of private financing that we know through market sounding is attractive to the market – approximately \$95M. The final DBFM model was set using an amount of private finance of \$78M that would provide an exact breakeven with the DBF.

4.2 Cost Estimates and Key Assumptions

Each examined model includes all costs for the 30 year lifecycle of the Project plus procurement and construction stages. Major assumptions are:

Capital Costs

The capital costs were determined by the Technical Advisor and Project Manager working backwards from a \$250M affordability cap. The base construction costs are assumed to be equivalent between the DBF and DBFM procurement models.

Cost Escalation

Regina and Saskatchewan more generally has been experiencing construction escalation rates much higher than historical norms in recent years. This financial analysis assumes escalation continuing at approximately 7% p.a. to the midpoint of construction. Construction costs are escalated to the time they are expected to be spent according to the most recent project schedule.

Site Servicing Costs

Costs related to site servicing are to be paid from a separate budget outside of the \$250M affordability cap.

Maintenance Costs

The long term major maintenance cost was developed by the Technical Advisor. They are assumed to be \$4.94M per year in 2012 dollars; they are forecast to escalate at 2.2% per year for the 30 year term of the maintenance period.

Funding

The project is expected to be the recipient of significant external finance commitments from the Provincial Government and the Riders. The expectations for this capital is that the Province will contribute \$80M, the Riders \$100M, and internal and sponsorship revenues from the Riders of an additional \$25M for a total of \$205M. The DBF and DBFM models both assume that the City would receive the funding before it is used in the project.

Discount Rate

All financial analysis was undertaken using a discount rate of 5% at the direction of the City.

Cost of Financing

For the DBFM a long-term debt rate of 4.5% (4.17% short-term) was assumed. Equity returns of 13% were assumed and a gearing of 90% debt and 10% equity. For the DBF model, a short-term financing rate of 4.17% was assumed. The funding gap financed by the City is external to the value for money analysis.

Project Schedule

For both the DBF and DBFM the project schedule is assumed identical for the purpose of financial modeling. The procurement phase is scheduled to end by April 30, 2014. Construction is expected to last 24 months.

4.3 **Risk Quantification**

Analyzing and quantifying project risk is a key element of value for money analysis. The project team followed a best practice risk assessment process that is commonly used in Canada.

The project team convened risk analysis sessions in late June 2012. The team members involved covered the full range of required experience and skills including construction costing, architecture and engineering, finance, procurement, project management and stadium knowledge.

A preliminary risk matrix was developed by Deloitte and distributed in advance of the first risk session. At the first risk session (i.e. risk workshop) project risks were discussed individually and for each risk assessments were made on the likelihood of realizing the risk and an estimate of the impacts should the risk be realized for DBFM and DBF delivery models. Subsequently each risk was classified according to what party in a transaction would bear the risk; broadly the risks are characterized as retained or transferred.

Utilizing the risk assessment inputs collected from the team a "Monte Carlo" simulation was run. The results from the simulation are a probability distribution. The distribution then provides inputs for the financial model. Risks are entered into the financial model in the capital section or lifecycle cost section depending on what aspect of the project they pertain to.

The risk is the total risk to the Project expressed in Net Present Value (NPV) terms. Both retained and transferred risks were considered during all project phases (e.g. procurement phase, construction phase and maintenance phase). The mean values of the risks were included in the financial model; this is a moderately conservative assumption.

Not all of the project risks needed to be added to the financial model - some identified as risks were implicitly included in the general project cost expectations. A contractor for instance assumes certain risks when they undertake a construction project. In a DBFM model the long term maintenance risk is included in the modeled costs for the equity return. Where the costs are already included in the other modeled costs they are not included in the financial model to avoid double counting. The chart below shows the project risk profile after excluding already embedded risk costs.

Figure 2 - Risk Quantification Results



The above graph clearly indicates a lower overall risk profile of the Project under a DBFM delivery model when compared to a DBF. This is consistent with expectations based on results observed in other projects in Canada.

The risk analysis for the DBFM model assumed an optimal level of private finance – it did not differentiate between the \$42.6 and \$95M scenarios. For the DBF model, the DB Progress Payment was considered for the risk analysis but the risk discussion and quantification assumed same level of construction period risk transfer as a DBFM. We believe the DBF Six Month Holdback best reflects the risk assessment and allows for the best comparison to the DBFM.

Based on the initial risk results a member of the Technical Advisor team wished to revisit some of the quantified risks. The belief was that some of the DBF project risks were overstated in terms of likelihood of occurrence. After discussion the analysis was re-run to incorporate the suggested changes.

The Deloitte team did not agree with these changes given the potential for optimism bias given that adjustments were made after the initial results were known and as such, the changes have not been used in this analysis. As well, experience with similar projects suggests these changes would have reduced the expected project risk below levels that the City can realistically expect for the Project.

4.4 Financial Results

The cost estimates and key assumptions were entered into a discounted cash flow model developed by Deloitte that models the Project over the 32 year period (2 year construction plus 30 year maintenance period). Added to the model was the risk quantification as defined in the previous section.

The financial model was independently reviewed within Deloitte for quality assurance. The financial model was also reviewed in detail by City staff to ensure an understanding of the mechanics of the model. Cost estimate inputs and schedule used in the financial model was confirmed by the City's Project Manager.

The value for money results are presented in the table below.

Table 2 - Value for Money Results

	DBFM \$42.6M Private Finance	DBFM \$78M Private Finance	DBFM \$95M Private Finance
DB - Progress Payments	\$466K	(\$2,781)K	(\$4,477)K
DBF - Six Month Holdback	\$3,249K	\$0K	(\$1,694)K

* All Figures in NPV at June 1, 2012, 5% Discount Rate

The row highlighted in green, the DBF with a six month holdback, we view as the best model to compare with DBFM given it offers the City a similar liquid form of security during the construction period. Using this scenario, the value for money range is between positive \$3.2M and negative \$1.7M. The difference is expressed as the DBF model costs minus the DBFM costs. A positive value indicates the DBFM model is expected to have lower costs.

Assuming a \$250M affordability cap, the value for money result as a percentage is positive 1.3% to negative 0.7%.

Overall there is expected to be a benefit (small) of the DBFM transaction over the DBF procurement model.

The other key findings of this analysis:

- 1. The range of value for money depends largely on how much private finance is included in the transaction and \$42.6M and \$95M scenarios provide bookends. Based on current market conditions \$95 million is sufficient to be attractive to the market and provide security for risk transfer, \$42.6 million is likely too low to be attractive to the market. An amount of private finance between these bookends could achieve the goals for risk transfer and still be attractive to project bidders. A breakeven scenario with zero value for money can be achieved with \$78M of private finance. Deloitte is of the view that this level of private finance is sufficient to attract good competition in the current market conditions. Future consideration could also be given to a "wide equity" model as well. The optimal amount of private finance needs to be determined prior to RFQ issuance.
- 2. In essence the value for money results are a tie economically. It bears recalling that he expected project costs are an important part of the project delivery selection but by no means the only determinate. There are many project factors that are not contemplated in the financial analysis and must be considered (i.e. the strategic assessment findings) to ensure a defendable and robust decision.

4.5 Comparison with DBB

The value for money assessment was undertaken utilizing a DBF delivery model as the PSC. While DBB was not assessed, it was the unanimous view of the external advisors to the City that participated in the risk workshop that DBB would have produced a significantly higher retained risk result and thus both DBF and DBFM would have compared favourably to DBB had it been used as the PSC in the value for money assessment.

The actual value for money results for completed vertical infrastructure DBFM projects in other Canadian jurisdictions ranges from 5.9% to 17.4% when comparison is made to DBB. Table 3 below provides a summary of value for money results for a representative sample of projects completed in the past 5 years.

Table 3 - Actual Value for Money Results for Vertical Infrastructure Projects

		Contract	Value for			
Project	Location	Value (\$M)	Money (NPV)	Status	Comparison	Source
Surrey Outpatient Hospital	Surrey, BC	\$234	\$22.5M (8.8%)	Operational	DBFMvs.DBB	Partnerships BC
Fort St. John Hospital	Fort St. John, BC	\$306	\$20.7M (6.7%)	Operational	DBFMvs.DBB	Partnerships BC
BC Cancer Agency Centre for the North	Prince George, BC	\$70	\$4.9M (6.3%)	Near Completion	DBFM vs. DBB	Partnerships BC
Surry Pre-Trial Services Centre	Surrey, BC	\$133	\$15M (10.0%)	Construction	DBFM vs. DBB	Partnerships BC
Alberta Schools Alternative Procurement	18 Alberta	\$634	34 \$97M(13%)	Operational		Alberta Ministry of
	locations	φ00 -	\$37W(1370)	operational	DBFM vs. DBB	Education
Durham Courthouse	Oshawa, ON	\$334	\$49M (11.5%)	Operational	DBFM vs. DBB	Infrastructure Ontario
Woodstock General Hospital	Woodstock, ON	\$269	\$71M (17.4%)	Operational	DBFM vs. DBB	Infrastructure Ontario
Forensic Science and Coroner's Complex	Toronto, ON	\$497	\$115M (13.5%)	Construction	DBFM vs. DBB	Infrastructure Ontario
St. Thomas Consolodated Courthouse	St. Thomas, ON	\$249	\$27.1M (10.1%)	Construction	DBFM vs. DBB	Infrastructure Ontario
Southw est Detention Centre	Winsor, ON	\$247	\$14.3M (5.9%)	Construction	DBFM vs. DBB	Infrastructure Ontario
Quinte Consolidated Courthouse	Belleville, ON	\$247	\$12.8M (6.0%)	Construction	DBFM vs. DBB	Infrastructure Ontario
OPP Modernization Project	16 Ontatio locations	\$293	\$51.3M (10.5%)	Construction / Operation	DBFMvs.DBB	Infrastructure Ontario

Although a DBB was not considered in the value for money assessment, it was the unanimous view of the City's external advisors that the DBB would not provide value for money to the City compared to either DBF or DBFM.

4.6 Ontario Pan-Am Games Project (Ivor Wynne) Stadium

As part the preparation for the 2015 Pan-Am Games there are a number of infrastructure projects in procurement and development. A major project is the replacement of Ivor Wynne stadium in Hamilton. The facility shares many characteristics with Mosaic and the Replacement Stadium. The most important similarity is having a CFL team as the primary tenant. The new facility is expected to accommodate 22,500 for football and soccer.

The project is still in procurement and details are subject to change but the current financial arrangement contemplates Interim Completion Payments that will require the contractor to provide short term finance for a significant portion of the construction value, ensuring optimal risk transfer.

The project is currently in procurement proceeding as DBF type procurement. The main reasons for the selection of the DBF procurement method were:

- Consistency with other projects being procured at the same time for the Pan-Am Games.
- The facility is owned by the City of Hamilton (population 520,000), they have a large maintenance staff that maintains other civic recreation assets including the existing stadium.
- Funding arrangement for the project from senior government sources were contingent on spending during the construction build out eliminating the need and ability to procure using a method that included any sort of long-term financing.

5. Strategic assessment reconsidered

5.1 P3 Objectives

The City has determined that P3 delivery models should be considered as an alternative to traditional procurement. The objectives to be achieved through use of P3 models are defined in the City's Public-Private Partnership Policy and listed in the table below.

Table 4 - City Objectives for P3

Ob	Objective		
1.	Accelerate Project delivery		
2.	Enhance the ability to deliver the Project on time		
3.	Reduce exposure to construction cost over-runs		
4.	Ensure the proper long-term maintenance of assets		
5.	Ensure a high level of customer service		
6.	Encourage innovation and collaboration		
7.	Reduce overall project risks over the full lifecycle of the Project		
8.	Achieve value for taxpayers		

5.2 Assessment of Delivery Models against P3 Objectives

Accelerate Project Delivery - A preliminary schedule has been developed for the project and it appears that DB-GMP has a slight advantage over DBFM in terms of duration of the planning stage. The DBF is four to six months shorter in duration due to less complexity and level of effort required in the development of procurement documentation. The procurement period and construction period is expected to be the same for both DBFand DBFM. Conclusion: slight advantage overall to DBF in terms of Project acceleration.

Enhance the Ability to Deliver the Project On-Time - The DBFM and the DBF incentivizes on time or ahead of schedule completion of large capital projects due to the financial penalties applied to liquid security incurred with a delayed completion. We do not view a DB with progress payments as having an equivalent risk transfer as the DBFM. Conclusion: DBFM and DBF are equal in ability to deliver the project on time.

Reduce Exposure to Construction Cost Overrun - The DBFM model results in a 30 year fixed price bid that is scrutinized by lenders. As result, there is a significant level of due diligence on pricing. There is also no opportunity for the private partner to turn back to government for claims since the private partner has full responsibility for design and construction. As such, completed P3 projects have a strong track record of being built on budget or if over budget, at no additional cost to the owner. The DBF model may involve some lender due diligence if not financed through the working capital of the bidder. The DB progress payments would have no lender scrutiny. Conclusion: DBFM and DBF are likely equal in terms of reducing City's exposure to construction cost overrun.

Ensure the Proper Long-Term Maintenance of Assets - The DBF delivery model leaves responsibility for long-term maintenance with the City. There is no consideration by the contractor to lifecycle costs – the City's only protection against excessive maintenance costs is to provide a higher level of design and

specifications for the construction of the asset so as to minimize such costs in the future. The other challenge with the DBF model is that maintenance spending is subject to the overall budgeting processes of the City and may not be considered a priority and therefore deferred. This often leads to even larger maintenance costs in the future. The DBFM model is designed so that the bidder must price long term maintenance and rehabilitation over the duration of the contract (30 years) in their bid submission. The P3 agreements are drafted so that the maintenance and rehabilitation risks are transferred to the private partner. The private partner is only paid the maintenance price bid in the contract plus escalation. If maintenance is not conducted at a level to ensure the asset performs as required, the City can withhold capital payments. This approach provides cost certainty for the City and incentive for the Private partner to undertake maintenance when needed. Conclusion: The DBFM is of highest benefit to the City to achieve this objective. While City may establish a maintenance budget of 1.5% to 2% of capital cost for long term maintenance under the DBF model, there is no guarantee it will be used effectively or remain in place for the life of the asset.

Ensure a High Level of Customer Service - The customer service experience at the Mosaic Stadium replacement is between users of the facility including both tenants and attendees and the parties responsible for operating and maintaining the facility. For DBF, the O&M function would be carried out by a REAL or a third party. For the DBFM, the operation function would be carried out by REAL with the maintenance responsibility falling to the private partner. It could be argued that the DBFM might be slightly inferior since there is a separation of O and M responsibility; however, a well-structured contract with clearly defined O & M responsibilities and interface between the activities should address this concern. This fact was confirmed through market sounding carried out by Deloitte in the Strategic Assessment Report. It could also be argued that the lack of an enforceable O&M contract with REAL would not ensure high level of customer service. Conclusion: we believe both DBF and DBFM are equal in terms of ensuring a high level of customer service.

Encourage Innovation and Collaboration - The DBFM model has a higher potential for innovation and collaboration by bundling together design, construction, and maintenance responsibilities in a single contract that is performance based. The DBF model has less opportunity to achieve this objective given the design and construction is separated from O&M responsibilities. Conclusion: the advantage goes to DBFM for encouraging innovation and collaboration.

Reduce Overall Project Risks over the Full Lifecycle of the Project - The results of the risk workshop showed qualitatively that the DBFM model is superior to DBF in terms of reducing overall project risks over the full lifecycle of the project. Conclusion: the advantage goes to DBFM for achieving this objective. We note that the City is fully exposed to operating risk in both models – there is something to be said for the City to isolate its exposure to only operating risk in the DBFM as opposed to be exposed to both operating and maintenance risk in the DBF.

Achieve Value for Taxpayers

The value for money assessment indicates that DBF and DBFM are essentially tied in terms of value for money. What this means is that the cost premium of private finance under the DBFM is offset by the value offered by risk transfer.

The relative assessment of each of the delivery models against the objectives is summarized below.

Figure 3 - Assessment of Delivery Models

Criteria	Delive	Delivery Model	
	DBF	DBFM	
Accelerate Project delivery	•		
Enhance the ability to deliver the Project on-time	•	•	
Reduce exposure to construction cost over-runs	•	•	
Ensure the proper long-term maintenance of assets	0	•	
Ensure a high level of customer service	•	•	
Encourage innovation and collaboration - drawing on the respective expertise and strengths of the public and private sectors	•	•	
Reduce overall project risks over the full lifecycle of the Project	t 🕕	•	
Achieve value for taxpayers	•	•	
C Lowest Benefit	Medium	Highest Benefit	

Assuming the Criteria are of equal importance from the City's perspective, the DBFM proves to be of slightly higher benefit as a delivery model in comparison to DBF.

6. Summary findings

6.1 Summary Finding for Each Delivery Model

A summary of our findings for each of the delivery models examined is as follows:

DBF

The DBF delivery model will provide similar benefits to the DBFM model in terms of on-time delivery, avoidance of construction cost overruns and competition on the design and construction similar to that of the DBFM.

The DBF delivery model's advantages over the DBFM are:

- Potential for O and M integration which may reduce complexity in terms of definition of O & M responsibilities and the interface between the activities.
- Potential for a four to six month shorter procurement which may save some amount of cost escalation.
- Provides the City a greater degree of flexibility to make changes to the new stadium after it is built. This could be a material benefit if the stadium is intended to be upgraded with an enclosed roof within a 30 year time horizon.

The DBF model also avoids the cost of capital premium associated with long-term private finance although the cost of capital premium in the DBFM is overcome through additional risk transfer from the City to the private partner.

The disadvantages of the DBF compared to the DBFM are:

- There is no 30 year warranty over the asset the City is fully exposed to maintenance and rehabilitation risk.
- There is no cost certainty over the 30 year maintenance period. The private partner of the DBFM provides a bid cost for maintenance and rehabilitation for a 30 year period that is subject to change only for changes in inflation indexation.
- No direct integration of design and construction with operations and maintenance resulting in lower levels of innovation and collaboration.

It is true that an open-air stadium is not a relatively complex asset to construct and maintain which is demonstrated by the results of the risk analysis. However, even though a stadium is a simple asset, the value for money assessment demonstrates that the City retains significant risk in the maintenance period stage, mostly related to the scale of the asset.

In terms of procurement, the DBF is somewhat less complicated to procure given that there is no maintenance period in the procurement; however, it doesn't mean that the City can avoid this complexity if the arrangements with REAL or a third party are intended to mitigate such risk. The maintenance agreements with REAL or a third party introduces a separate stream of negotiations and planning that is outside of the DBF procurement.

DBFM

The DBFM delivery model will provide the City with:

- On time and on budget delivery of the Project similar to the DBF.
- A 30 year warranty over the asset the City is not exposed to maintenance and rehabilitation risk.
- Cost certainty over the 30 year maintenance period. The private partner of the DBFM provides a bid cost for maintenance and rehabilitation for a 30 year period that is subject to change only for changes in inflation indexation.
- Integration of design and construction and maintenance resulting in high levels of innovation and collaboration. Trade-offs between upfront investment in capital costs versus long-term maintenance costs can be expected.
- Overall reduction of lifecycle risks over the Project lifecycle.

Some strategic advantages of DBFM to consider are:

- Ability to leverage the knowledge and expertise gained to future P3 projects in the City anticipated by the City's P3 policy framework.
- First mover advantage the market of P3 private partners are keen to establish a foothold in Saskatchewan. Intense competition in financing and pricing of risk can be expected.

The potential disadvantage of DBFM is higher cost of private financing but the value for money assessment demonstrates that this higher cost is overcome by the benefits of risk transfer.

Disadvantages of DBFM compared with DBF are:

- Higher complexity and required level of effort to procure potentially adding four to six months to the Project schedule. While not an issue for achieving the target date, this issue could add escalation cost to the Project.
- Reduced flexibility to make changes to the stadium after its built. Generally, making changes to the functionality of a DBFM asset is difficult and expensive due to the fact that changes have to be approved by the private partner and its lender giving consideration to impacts on the risk profile of the asset.
- There would be a separation of facility maintenance from operation. While this has proved not to be an issue with other assets delivered under DBFM models in Canada, there is some potential for coordination and interface issues between the M of the DBFM and the O contractor (REAL). Based on discussions with two leading North American entertainment facility operators as part of the market sounding for the Strategic Assessment Report, separation of O from M, while less common, is a model they are experienced with particularly for university owned stadiums.

DBB

Although a DBB was not considered in the value for money assessment, it was the unanimous view of the City's external advisors that the DBB would not provide value for money to the City compared to either DBF or DBFM.



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- To: Members, Executive Committee
- Re: Changes to The Regina Administration Bylaw No. 2003-69 Community Investment Reserve

RECOMMENDATION

That the City Solicitor be instructed to prepare the necessary amendments to *The Regina Administration Bylaw*, Bylaw No. 2003-69 to incorporate a minimum and maximum balance for the Community Investment Reserve as follows:

Committee	Minimum Balance	Maximum Balance
Community and Protective Services	\$0	\$175,000
Finance and Administration	\$0	\$25,000
Executive	\$0	\$150,000
Total Balance	\$0	\$350,000

CONCLUSION

In 2011, the Administration conducted reviews on several of the reserves outlined in Schedule "A" of *The Regina Administration Bylaw*, Bylaw No. 2003-69. The objectives of these reviews were to establish administrative and authoritative guidelines respecting the reserves, as well as set up appropriate minimum and maximum target balances for each of the reserves. Council approval was given for these recommendations. The remainder of the reserves, including the Community Investment Reserve (CIR), are being reviewed to also reflect these objectives. Amendment to *The Regina Administration Bylaw*, Bylaw No. 2003-69 with respect to the CIR is recommended in this report. In summary, the amendment will incorporate minimum and maximum reserve balances for the CIR as follows:

Committee	Minimum Balance	Maximum Balance
Community and Protective Services	\$0	\$175,000
Finance and Administration	\$0	\$25,000
Executive	\$0	\$150,000
Total Balance	\$0	\$350,000

BACKGROUND

In 2003, Schedule "A" of *The Regina Administration Bylaw*, Bylaw No. 2003-69 was created, specifying the purpose of reserves and the procedure for calculating year-end reserve balances. Since then, multiple amendments to this Bylaw have occurred, including addition of new reserves and establishment of target balances for some reserves.

The CIR was established to accumulate unexpended community investment funds allocated to the Community and Protective Services Committee, Finance and Administration Committee, and Executive Committee to help fund future revenue shortfall in community investments. An administrative review of this reserve shows that the reserve balance increased from \$71,000 in 2007 to approximately \$832,000 in 2011, with no established measures to manage this growth to effectively achieve the purpose of this reserve. This has implications for the City, especially at this time that efforts are being made to ensure that available resources are utilized in ways that align with the City's core services framework.

DISCUSSION

The City of Regina invests approximately \$6.5 million annually to support community and social development programs, economic and promotional programs, as well as events and corporate sponsorship programs. These investments are allocated through various Committees to eligible individuals, community based organizations, and corporations, including the Regina Exhibition Association Limited, the Regina Regional Opportunities Commission (RROC), and the Wascana Centre Authority. At the end of the year, unallocated (unexpended or surplus) community investment funds are transferred to the CIR.

The amount of unallocated community investments and other transfers to the CIR have continued to grow since 2007, leading to a large accumulation of funds in this reserve. In 2010, the reserve balance grew to a record high of \$836,000, with a balance of \$832,224 in 2011. Included in the balance was \$338,660 of community investments where the recipient was identified but the cheque was not issued. After seeking clarification with the Legal Department with the respect to the wording in the Regina Administration Bylaw governing this reserve, Community Investments allocated but not paid out do not have to be returned to the reserve. These amounts can be recorded as a liability. When we take this clarification into account the balance in the reserve at the end of 2011 would have been \$493,564. The application of this process will be put into practice for 2012 and future fiscal years.

To deal with these issues, it is essential to establish target balances for this reserve, which will also help ensure compliance with Schedule "A" Section 8.1 (a) of *The Regina Administration Bylaw*, Bylaw No. 2003-69. This bylaw requires the Deputy City Manager & CFO to submit a report to City Council for approval that includes a list of every reserve in Schedule "A" that as of the previous December 31st had a balance that is greater than its maximum target balance or less than its minimum target balance.

To test target balances for the CIR, consideration was given to 10 years historic reserve balances, including annual transfers to this reserve and over-expenditures on community investments. In addition, criteria related to the purpose of the reserve, degree of risk, City's Core Continuum, and the strategic direction and priorities of the City were employed to assess the reasonability of the target balances. The result of the assessment indicates that the CIR is a low risk as it lies at the lower continuum of the core services framework, which lends support to having a low reserve balance. Also, given that this reserve is not intended for capital projects, maintaining a high balance was considered unreasonable and detracts from the City's move towards narrowing the gap.

Based on these considerations, the Administration is recommending that the minimum and maximum target balances for the CIR be set at \$0 and \$350,000 respectively.

The recommended minimum and maximum target balances by Committee is shown in Table 1.

			2011 Reserve
Committees	Minimum Balance	Maximum Balance	Balance
Community and Protective Services	\$0	\$175,000	\$419,588
Finance and Administration	\$0	\$25,000	\$147,406
Executive	\$0	\$150,000	\$265,231
Total	\$0	\$350,000	\$832,225

Table 1: Minimum and Maximum Balances for the CIR based on Committee

Based on the 2011 reserve balance, no injection of funds is required into the CIR. When the allocated but unpaid community investment funds are taken out of the reserve, any amounts in excess of the maximum balance at the end of the year are required to be transferred out as per the criteria outlined in the City's Reserve Policy and Bylaw. However, given that the target minimum and maximum balances are just being newly established and there is a new Community Grants Program for implementation in 2013, the Administration is recommending that transfers out of the CIR should not be made at this point. In 2013, the reserve balance will be reviewed and transfers will be recommended at that time, if necessary.

Changes required to Bylaw:

Changes are required to Schedule "A" Section 12 of *The Regina Administration Bylaw*, Bylaw No. 2003-69, to incorporate these target balances, and to give authority to reduce the CIR when in excess of the maximum target balance.

In addition, the following reserves are currently being reviewed and will be ready for Council approval in the future:

- Technology Reserve
- Asphalt Reserve
- Employer Provided Parking Reserve
- Social Development Reserve

RECOMMENDATION IMPLICATIONS

Financial Implications

No injection of funds is required into this reserve. Amounts in excess of the recommended maximum target of \$350,000 are expected to be transferred out of the CIR based on criteria outlined in the City's Reserve Policy. Given that the target minimum and maximum are just being newly established and there is a new Community Grants Program for implementation in 2013, we are recommending that transfers out of the CIR should not be made at this point. In 2013, the reserve balance will be reviewed and transfers will be recommended at that time, if necessary.

Environmental Implications

None with respect to this report.

Strategic Implications

The establishment of minimum and maximum balances for the CIR in the bylaw will help improve governance and financial management of this reserve.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

None with respect to this report.

DELEGATED AUTHORITY

This report requires City Council approval.

Respectfully submitted,

BSS

Brent Sjoberg, Deputy City Manager & CFO

CS/TF/CM/JMO/BDS:a

Respectfully submitted,

Glen B. Davies City Manager

To: Members, Executive Committee

Re: Final Draft Transportation Directions for Transportation Master Plan

RECOMMENDATION OF THE EXECUTIVE COMMITTEE - AUGUST 15, 2012

That the Transportation Directions as determined through the Transportation Master Plan project be endorsed. The Transportation Directions are as follows:

- Offer a range of sustainable transportation choices for all
- Integrate transportation and land use planning
- Elevate the role of public transit
- Promote active transportation for healthier communities
- Optimize road network capacity
- Invest in an affordable and durable system
- Support a prosperous Regina and region

EXECUTIVE COMMITTEE – AUGUST 15, 2012

The Committee adopted a resolution to concur in the recommendation contained in the report.

Councillors: Louis Browne, Fred Clipsham, John Findura, Michael Fougere, Jocelyn Hutchinson and Wade Murray were present during consideration of this report by the Executive Committee.

The Executive Committee, at the **PRIVATE** session of its meeting held on August 15, 2012, considered the following report from the Administration:

RECOMMENDATION

That the Transportation Directions as determined through the Transportation Master Plan project be endorsed.

CONCLUSION

Since May 2012, the City of Regina has conducted a number of engagement activities to gather input from the community for the new Transportation Master Plan (TMP) project. These initial activities were focussed on introducing the project to the community and receiving feedback on draft Transportation Directions. The Transportation Directions identify areas of focus and will guide the development of policies and plans for the TMP. The Transportation Directions are aligned to support the City's Vision and the Community Priorities developed as part of the Official Community Plan (OCP) process referred to as Design Regina. It is recommended that

Council endorse the Transportation Directions as they have been described in this report so that the TMP plans and policies can begin development. The TMP will continue to be developed alongside the OCP until both studies are completed and taken to Council for approval in the latter part of 2013.

BACKGROUND

The City of Regina initiated the development of its TMP in 2010 and it is scheduled to be completed in 2013. The TMP will provide a framework for how the City of Regina will address its transportation needs over the next 25 years. The TMP will evaluate the existing transportation system and identify ways to improve the way we drive, use transit, walk, and cycle around Regina.

The extensive engagement activities conducted since May 2011 for Design Regina's "Advancing the Vision" phase provided important community feedback to the TMP. The Design Regina feedback combined with a statistically valid telephone survey and stakeholder meetings completed in Stage One of the TMP in 2011 formed the basis of creating draft Transportation Directions. Final review and refinement of the Directions was then conducted by consulting with City staff from various departments as well as through a City Council briefing session on April 16, 2012.

Stage Two of the TMP, "Plan Development", was launched to the public in May 2012. The TMP launch provided an introduction to the project and its connection to Design Regina and also gathered feedback on the draft Transportation Directions.

The May 2012 launch began with a series of four public open houses held in shopping malls at different times of day and in different areas of the City. This approach was done in order to reach a broad audience and obtain a wide cross-section of input. It was successful in reaching over 800 individuals that stopped to view materials and interact with a TMP project team member. The open houses gathered input on the draft Transportation Directions and general transportation issues through a variety of exercises and tools. Additionally, an online survey on the Directions was open for a four-week period for public input and yielded 274 responses.

In June 2012, a series of stakeholder meetings was held in order to meet face to face with important community organizations to introduce them to the TMP, discuss their transportation needs and concerns and obtain their feedback on the draft Transportation Directions. A total of 50 stakeholders were invited to these meetings and 30 were able to attend. These stakeholders will continue to be engaged throughout the TMP.

Since these events, the Administration has been refining the feedback received to ensure the language and concepts are reflective of the feedback heard from the community. Overall, the responses received strongly support the draft Transportation Directions. A summary of the open houses, online survey and first round of stakeholder meetings is attached to this report as Appendix A. The full version of this summary, with appendices of detailed comments from the public, will be posted to the TMP website at <u>www.designregina.ca</u>.

DISCUSSION

The Transportation Directions will guide the development of policies and plans in the TMP, which will comprise the majority of work for the remainder of the project. Below are the final draft Transportation Directions that have resulted from the TMP process, in no particular order:

• Offer a range of sustainable transportation choices for all

Regina's residents will have a choice of travel modes that complement access by private automobile. Strategies around transit, walking, cycling, and carpooling, combined with programs that educate and maximize existing transportation infrastructure, will offer travel choices that are easy, affordable, sustainable and more enjoyable for all users.

• Integrate transportation and land use planning

By planning land use and transportation concurrently, Regina can tailor new and existing neighbourhoods to make it easier to get around by all modes. *Complete Streets*, which feature a range of transportation modes, will help support vibrant, active and *Complete Neighbourhoods*.

• Elevate the role of public transit

Public transit will play a pivotal role in Regina's transportation future by becoming a competitive travel choice tightly integrated with our neighbourhoods. Transit will work toward a more accessible system with frequent and reliable service, extended hours, and enhanced customer amenities. The identification of primary transit corridors suitable for express routes will help shape land use.

• Promote active transportation for healthier communities

Active modes – walking, rolling, and cycling – will be an integral mode for day-to-day travel and for recreation. Pathways and bikeways will be extended to provide a connected network of green, comfortable, and safe active corridors between key destinations. Educational programs will promote mutual respect among all road users and advocate the benefits of active transportation.

• Optimize road network capacity

Road network planning will focus on optimizing existing capacity to minimize the need for widening and expansion, thereby reducing infrastructure costs while managing congestion. A hierarchy of road classes will provide city-wide connectivity while minimizing neighbourhood traffic impacts. New and existing roads will be tailored to reflect community context and modern design standards.

• Invest in an affordable and durable system

Investment in the transportation system will be made based on a long-term outlook through a framework of life cycle costing. Existing infrastructure will be monitored, inspected regularly, and undergo timely maintenance to maximize life span. Maintenance will demonstrate leadership through adopting environmentally responsible procedures and practices.

• Support a prosperous Regina and region

The transportation network will provide efficient and effective movement of goods and people to support economic growth, particularly in Regina's key employment areas. Regional and inter-governmental partnerships will help to ensure Regina is competitive in a global economy.

Along with these Transportation Directions, the following guiding principles will be considered as the TMP is developed and written:

- Accessibility
 - The TMP will continue advancing towards an inclusive, universally accessible transportation system that is responsive to changing demographics, mobility needs, and best practices in universal and barrier-free design.
- Environmental Protection
 - Improving the environmental performance of the transportation system through travel reduction, modal shift, alternative fuels, and emissions reduction will be identified to help conserve resources and preserve the environment for future generations.
- Social Equity
 - Transportation strategies will aim to promote equitable access to mobility, develop safe and healthy communities, and maximize opportunities for all citizens in Regina.
- Technology
 - Transportation in Regina will take advantage of advances and innovations in technology to improve the efficiency of the network and improve traveler information. Open data would encourage local solutions to local challenges.
- Fit for Four Seasons
 - The TMP recognizes that Regina is a city with four distinct seasons. Policies and strategies must consider the challenges of, but also the opportunities provided by, the climate.
- Safety
 - Ensuring the safe movement of people and goods, regardless of travel mode, is paramount within the TMP.

These Transportation Directions will provide clarity on where focus is required as the City moves towards achieving its vision and will provide direction for the policies that will be developed in the TMP and OCP. A more detailed summary document on the development of the Transportation Directions is attached to this report as Appendix B. Council endorsement is sought to finalize the Transportation Directions in order to confirm the focus of planning and policy development for the remainder of Stage Two of the TMP which will focus on:

- Creating an updated Road Network Plan to guide the development of major roadways infrastructure projects and supports the OCP's recommended growth structure; and
- Developing policies and mode-specific strategies to guide decisions on development, investments, services and actions for roadways, traffic, transit, active transportation, goods movement and travel demand management (TDM) which seeks to reduce single-occupant auto travel.

RECOMMENDATION IMPLICATIONS

Financial Implications

The Transportation Directions will provide guidance to the City on where to focus policy and investment efforts. As such, the financial implications will be considered through the development of policies in the new TMP and its implementation plan. This importance of understanding the financial implications in the TMP will be underscored by the Direction to invest in an affordable and durable system.

Environmental Implications

The environmental implications will be considered through the development of policies in the new TMP and its implementation plan. The importance of understanding the environmental implications in the TMP will be underscored by the Direction to offer sustainable transportation choices which encourage alternative modes of transportation and the guiding principle of Environmental Protection.

Strategic Implications

The public engagement process to provide direction for the OCP's development also feeds the development of the new Corporate Strategic Plan along with other major plans that are being developed, including the TMP, Comprehensive Housing Strategy, and Culture Plan. By continuing to closely align the TMP with the OCP, these documents will use the Transportation Directions to move the City towards the Vision.

Accessibility Implications

The accessibility implications will be considered through the development of policies in the new TMP and its implementation plan. The importance of understanding the accessibility implications in the TMP will be underscored by the Direction to offer sustainable transportation choices for all users, including those with mobility challenges and the guiding principle of Accessibility.

Other Implications

None with respect to this report.

COMMUNICATIONS

Upon endorsement, a communication strategy to advise the community about the finalized priorities will be developed and implemented. This may include posting the information on the Design Regina and TMP websites, creating a link from the City of Regina's main website, and using social media, such as Facebook.

DELEGATED AUTHORITY

This report requires City Council approval.

Respectfully submitted,

EXECUTIVE COMMITTEE

J. Swidnecki

Joni Swidnicki, Secretary

TRANSPORTATION







Engagement Summary: Transportation Directions



Submitted to City of Regina by IBI Group

July 2012

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1. Introduction

The purpose of this report is to summarize stakeholder and public engagement for the initial phase of the Regina Transportation Master Plan (TMP). The objective of the first phase of engagement was:

- To introduce the Transportation Master Plan process to the public and stakeholders;
- To present the draft Transportation Directions for comment; and,
- To receive input on overarching and local transportation issues and ideas for consideration in the development of the Plan.

This report provides a review of the events and activities in this phase of the TMP and summarizes the key themes of input received.

1.1 Engagement Process

This report represents the conclusion of the first stage of public and stakeholder engagement for the Transportation Master Plan. The engagement process for this and subsequent phases is shown in Exhibit 1.1. The next phase of engagement is expected to be complete in early 2013. In the interim, a series of multi-modal workshops are scheduled throughout summer 2012.

Exhibit 1.1: Public and Stakeholder Engagement Process





2. Engagement Activities

2.1 Public Open Houses

"We're happy to see you come out to us, instead of making us come out to you." – Comment by open house attendee

As part of the launch activities for the Transportation Master Plan, a series of open houses were held at four locations throughout Regina. The purpose of these open houses were to introduce the Transportation Master Plan process to the public, present the draft Transportation Directions for feedback and comment, and to gain an understanding of citizen attitudes, opinions, and ideas for the future of transportation in the city. The open houses took place at shopping centres to reach a broader audience and gain a greater cross-section of input. The open houses took place at the following locations and times:

- May 23, 2012 3:00 p.m. to 8:00 p.m. at Cornwall Centre
- May 24, 2012 5:00 p.m. to 8:00 p.m. at Northgate Mall
- May 25, 2012 11:00 a.m. to 3:00 p.m. at Southland Mall
- May 26, 2012 11:00 a.m. to 3:00 p.m. Victoria Square Mall

The project team received a tremendous positive response to the open houses in both the number of contacts made and the quality of citizen input. Overall, the open houses were seen to be an effective launch of the Transportation Master Plan.

Format and Materials Presented

Each open house followed a drop-in format with members of the consultant project team and city staff present to answer questions and engage with citizens and solicit input and comments. The materials presented included:

- display boards containing background information on the study process and existing transportation trends;
- display boards presenting the seven draft Transportation Directions;
- city map and markers; and,
- comment forms and other handout information.

Input was encouraged through several channels, including:

- "dotmocracy" exercise, which asked each citizen to read all seven Transportation Directions and choose three that are most important to them using sticky dots;
- a direct comment exercise, entitled "Edit with a Post-It", using post-it notes where participants could write their comments specific to a Transportation Direction onto the display boards, essentially sharing their thoughts for all to see;
- mapping exercise which allowed participants to draw directly on a shared map of the city to geographically show issues and ideas for transportation in the city; and,
- traditional comment forms for more detailed comments and ideas.

Comments received through the forms and post-it notes are summarized by mode and theme in Section 3 and attached to this report as **Appendix B**.



Attendance

Because of the open nature of the open house venues at shopping centres, attendance was gauged by the number of "contacts" made with members of the public. A "contact" was defined as where the individual stopped and viewed the materials presented and was greeted by a project team member. The majority of contacts did not specifically attend the venue for the open house and instead were passing by while shopping or for other purposes. The result is a high proportion of contacts made with non-traditional audiences.

A total of 818 "contacts" were made at the four open house events:

- Cornwall Centre: 401 contacts
- Northgate Mall: 75 contacts
- Southland Mall: 177 contacts
- Victoria Square Mall: 165 contacts

2.2 Stakeholder Meetings

The first round of stakeholder meetings provided an opportunity to introduce the Transportation Master Plan process to four stakeholder groups:

- The Community Working Group comprises of representatives of various community interests and included representatives from advocacy groups, community organizations, school boards, and business members;
- The **Multi-Modal Working Group** included representatives from various mode-specific organizations, such as rail companies, emergency services, transit, cycling, and car share. The intent of this working group is to have focused conversations on the needs of different modes in Regina;
- The **Regional Stakeholders** included representatives from government agencies around the Regina region, including Provincial departments and surrounding rural municipalities; and,
- The **Homebuilders and Community Developers** included representatives in the homebuilder and development industry. A meeting with this group was not arranged in time for inclusion in this engagement summary. However, their input on the Transportation Directions was received.

The purpose of the first set of stakeholder meetings was to introduce the TMP to the stakeholders, solicit feedback on the draft Transportation Directions, and provide an opportunity for representatives to share their initiatives and issues. The minutes for each working group meeting are attached as **Appendix D**.

Community Working Group Meeting #1 June 18, 2012

Twelve representatives attended the Community Working Group meeting. Four themes emerged from the discussion:

- Greater consideration of the baby boomer generation and the implications of an aging population to mobility in the city. This includes greater demand for transit and the greater need for universal accessibility in mobility in Regina communities;
- Improving transit throughout Regina as an attractive travel choice. The general consensus that transit often does not meet the travel needs for most people, especially when compared to the speed and convenience of driving. However, many see an opportunity with immigrants and migrants from other centres where transit service is better and use is more prevalent who may be more willing to use transit. Combined with shifts in demographics and housing types/occupancy, transit could play a major role in how people move about Regina, as long as good service is provided;

- **Recognition that Regina is a winter city** and that there are unique challenges resulting from cold and snowy environments. This includes planning transportation for all four seasons and providing a high standard of maintenance of roadways and sidewalks with an emphasis of improving snow clearing policy and practice; and,
- **Reviewing the governance structure** for transportation and transit in Regina and throughout the region should be considered in the TMP. This includes building relationships with the province and surrounding rural municipalities, reviewing funding mechanisms, and considering the implementation of a transportation authority on a regional scale.

Multi-Modal Working Group Meeting #1 June 18, 2012

Eleven representatives from various groups attended the Multi-Modal Working Group meeting. Three key themes emerged from the discussion:

- Improving accessibility should be a priority, including specific measures related to improving paratransit and conventional transit services. It was maintained by the project team that accessibility will remain as a key guiding principle for all Transportation Directions;
- Leverage technological change to improve travel choice and operations. Group members have observed that rapid changes in technology have changed how people approach mobility, such as the increasing use of GPS, real-time information, and cellular data and smart phones. "Embracing technology" was seen as a potential additional key guiding principle for the TMP, taking advantage of open data, encouraging innovation in the developer community, and becoming flexible to changing technologies;
- Balancing needs on roadways is seen as a key priority, with a focus on moving *people* efficiently regardless of how they move around. Much of the discussion focused on how to improve transit; however, there was recognition that conditions for cycling and walking must also be improved. There was also the acceptance that automobile use will continue to be the predominant mode of transportation in the city, but group members believed that it should not come at the expense of other mode choices.

Regional Stakeholders Meeting #1 June 19, 2012

Six representatives attended the Regional Stakeholders meeting, including from the Ministry of Highways and Infrastructure, Ministry of Government Relations, the South Central Transportation Planning Committee, the RM of Edenwold, and the Regina Regional Opportunities Commission (RROC). This meeting focused on a discussion of overall regional transportation initiatives and issues and identifying opportunities for greater regional coordination. Key points of discussion included:

- Continued regional coordination within existing frameworks, such as the South Central Transportation Planning Committee and initiatives under the Ministry of Government Relations and Ministry of Highways and Infrastructure. Recognition that "bottom-up" approaches have a greater chance for success and there was appreciation for the inclusion of a Regional Stakeholders Group as part of the TMP process;
- Changing urban patterns and shifts in key traffic generators will change travel demand. Recent economic growth shifting jobs out of Regina, such as the Global Transportation Hub and planned potash mines and other heavy industry which are locating in adjacent RMs. Traditional inbound flows to Regina may shift in the future as people may start commuting out of Regina to these new job centres. There is a need to protect for transportation corridors that may not be needed now, but even far in the future, for example, to accommodate rapid transit; and,
- Achieving balance between land use objectives and transportation infrastructure needs. There is recognition of the development pressures that result from expanding transportation infrastructure, particularly in the outskirts of the city, where, for example, a new bypass may create development pressures similar to how the Victoria East and Ring Road corridors have developed. Coordinating land use and transportation planning is seen to be of high importance.

2.3 Online Consultation

The third engagement channel for this first stage of the Transportation Master Plan was an online survey to solicit feedback on the draft Transportation Directions. The survey was publicized on the TMP section of the Design Regina website and responses were encouraged through the Design Regina mailing list.



Exhibit 2.1: Screenshot from Online Survey

The survey focused on gauging support for and providing feedback to the draft Transportation Directions. For each direction, respondents were asked to indicate their attitude through a five-point Likert scale (strongly agree, agree, neither, disagree, strongly disagree) followed by an open-ended comment field to provide feedback.

A total of 274 responses were received to the online survey, with a total of 171 respondents completing the survey in full. Respondents were asked for their neighbourhood of residence, age cohort, and main mode of transportation as part of the survey. These responses are shown in Exhibits 2.2 to 2.4.

The attitudes and opinions expressed in the online survey are summarized in Section 3 of this report and a full record of responses received is attached as Appendix C.

Exhibit 2.2: Online Survey Respondents by District/Zone

District/Zone	Number of Respondents	Proportion
Central ¹	47	18%
East ²	54	21%
North ³	21	8%
South ⁴	55	21%
West ⁵	84	32%

Exhibit 2.3: Online Survey Respondents by Age Cohort

Age	Number of Respondents	Proportion
Under 18	6	2%
18 to 34	137	50%
35-49	76	28%
50-64	44	16%
65 and over	10	4%

Exhibit 2.4: Online Survey Respondents by Primary Mode of Transportation

Mode	Number of Respondents	Proportion
Car, as driver	174	64%
Car, as passenger	23	8%
Transit/Paratransit	52	19%
Cycling	9	3%
Walking	16	6%

¹ Central Zone includes: Al Ritchie, Cathedral, Centre Square/ Transitional, Downtown, Eastview, Gladmer Park, Heritage/ Core Group, North Central

² East Zone includes: Arcola East, Boothill, Dewdney East

³ North Zone includes: Argyle Park/Englewood, Coronation Park, Northeast, Uplands

⁴ South Zone includes: Albert Park, Harbour Landing, Hillsdale, Lakeview, Whitmore Park

⁵ West Zone includes: Dieppe, McNab, Normanview, Normanview West, Prairie View, Regent Park, Rosemont/Mount Royal, Sherwood/McCarthy, Twin Lakes, Walsh Acres



3. What We Heard

3.1 Transportation Master Plan Process

Based on discussions with citizens and other attendees at the public open houses and the stakeholder meetings, there is a high level of anticipation for the outcomes of a Transportation Master Plan. Many participants expressed support for conducting the TMP and even more were supportive of developing the plan in coordination with the Official Community Plan (OCP). There is a high level of understanding and comprehension of transportation issues and land use connections amongst the public at the open houses, which could be attributed to the high degree of engagement as part of the Design Regina process.

A universal opinion among those who participated in this first stage of engagement was the desire for the Plan to result in action and tangible results, especially in addressing acute transportation issues. Many feel that many plans are made, but not implemented.



Exhibit 3.1: Display Boards at Cornwall Centre Open House with Stickers and Post-It Note Comments

3.2 Transportation Directions

At the open houses and in the online survey, participants were asked to express their attitudes toward each of the seven draft Transportation Directions. The purpose of this was twofold: to encourage participants to read *all* the directions and to make a critical decision on which directions best reflect their values and vision.

Open House "Dotmocracy" Exercise

At the open houses, attendees were asked to choose three of the seven Transportation Directions that they felt were "important" or a "priority" to them. This was accomplished using stickers, as pictured in Exhibit 3.1. The total number of stickers was tabulated following each open house, with the results of the tabulation presented in Exhibit 3.2 as the proportion of total responses.

The results of the sticker exercise shows that the Transportation Directions related to transit and active transportation are most important to attendees of the open houses across the city. Prioritizing transit was greatest at the open houses at Cornwall Centre and Northgate Mall, while maintenance was a major priority for attendees at Southland Mall.

The majority of attendees at the open houses understood and supported the intent of each of the Transportation Directions. There were concerns that some of the directions were too "high level" or were not unique to the Regina context. However, it became understood that the Transportation Directions are meant to be the guiding statements of the plan itself, which would provide the policies and actions to implement the direction.



Exhibit 3.2: Prioritization of Transportation Directions by Open House Location

In addition to the dotmocracy exercise, open house attendees were encouraged to provide specific comments on post-it notes for each Transportation Direction. The comments received on the sticky notes and the comment forms are attached as Appendix B and key themes summarized later in this section of the report.

Online Survey Responses

The online survey used a different approach for gauging attitudes toward the Transportation Directions by using a five-point scale for each, asking respondents to indicate their level of agreement, or disagreement, to the statement. The results of this survey are presented in Exhibit 3.3.

The responses provided a high degree of support or agreement with the Transportation Directions, with over 70% of respondents either agreeing or strongly agreeing with each of the seven directions. Support was greatest for the directions relating to public transit (#3) and active transportation (#4), where over 50% of survey respondents "strongly agreed" with the statement. Respondents disagreed most with the direction related to road network capacity (#5), with 10% disagreeing or strongly disagreeing; however, a fairly significant number did not decide either way, which may reflect comments that the direction could be refined to provide greater clarity of its intent.





In addition to the Likert scale responses, survey respondents provided comments on each Transportation Direction. The key themes from this input, as well as that from the public open houses, are summarized in the following sections. All comments received through the online survey are attached as Appendix D.
3.3 Roads

There were many comments received through the public engagement process on the road network, which is not unexpected given the high proportion of Regina residents who drive as their primary mode of transportation. Many respondents feel that the road network has not kept up with the pace of growth, particularly in the past several years. Key themes in comments related to the road network include:

- Major corridors are heavily congested during peak periods, such as Arcola Avenue and Pasqua Street;
- Road widenings, such as on Saskatchewan Drive east of Broad Street, are long overdue;
- Gaps in the road network impact connectivity and closing them could alleviate congestion at some locations. A common example given was the missing connection on Rochdale Boulevard between Pasqua Street and Albert Street;
- Many comments expressed the need for the Southeast Bypass. Some respondents and attendees hope that the bypass is built at a distance far enough from the urban area so development does not lead it to become congested like Ring Road or Victoria Avenue;
- Road connections and truck bypasses to the Global Transportation Hub need to be built or improved, residents near Dewdney Avenue concerned for increased truck traffic;
- Many concerns regarding the street network in downtown Regina and the recent conversion to two-way streets and the closure of 12th Avenue at City Square plaza. However, there were supporters of recent changes as well and feel that changes have not had an opportunity to settle, but are concerned by constant changes to traffic flow downtown as a result of construction; and,
- Traffic signal synchronization and timing is perceived as an opportunity for improvement to create more efficient flow of vehicular traffic.

3.4 Transit

Transit is seen by most members of the public as an essential element of the Transportation Master Plan. Improving the transit system is a high priority, as reflected in the prioritization of the Transportation Directions at the open houses and the comments received at stakeholder meetings and online consultation. While many of the citizens consulted do not currently take transit, most understand the role transit plays in the city and the opportunities transit provides to improve the transportation network.

Comments received regarding transit include:

- Transit is perceived by non-transit users as slow and inconvenient. Many claimed that they gave transit a try, but the service did not provide a competitive alternative to driving their own vehicle;
- Conversely, most transit riders indicated that they feel that while there could be improvements, they generally are satisfied with the level of service provided by Regina Transit;
- Common theme between riders and non-riders include:
 - More direct and express service between key destinations; and,
 - Improving customer information or awareness of transit tools.
 For example, many transit customers were unaware of Transit Live for real-time information and many non-transit users were not aware of trip planning tools or even the route of their nearest bus.
- Transit is seen by many as a social service and not a competitive or attractive mobility choice. However, it was recognized that new residents from other countries or cities with better transit systems view transit differently, which could represent an opportunity to increase role of transit in Regina;
- Improving service through higher frequencies, shorter travel times, and better Sunday service were seen as priorities. Transit service to the airport for travellers and employees seen as a major gap;
- Developing a major transit hub downtown and in other areas of the city is seen as a way to shift from the downtown focus of the route network, which some riders felt is inconvenient; and,
- Some stakeholders and attendees expressed concern that there is not enough priority placed on improving paratransit, especially given the aging population and increased demand on the service.

3.5 Walking and Cycling

Improving walking and cycling environments in Regina are also seen as a priority for many stakeholders and members of the public during this stage of engagement on the Transportation Directions. There is recognition that the city is compact, flat, and destinations are often within walking or cycling distance; however, many feel that streets and roads are not conducive to walking and cycling. The benefits of walking and cycling are clear to most – more active streets, healthier lifestyles, and less reliance on cars.

Common themes on walking and cycling include:

- The existing off-street trail system was universally praised and seen as a key amenity in the city, particularly in the Wascana Creek trail system and the recreational opportunities in Wascana Centre. However, linkages and connections from communities to the trail system is seen a major gap;
- Walking and cycling are perceived, especially outside of downtown, as recreational activities. Increasing the role of walking and cycling for utilitarian purposes should be a priority for the TMP;
- Many attendees expressed the need for more and better cycling infrastructure including expanding the on-street bikeway network, improving connections to trails, and providing more facilities for cyclists, such as bike parking;
- There needs to be improved education and awareness for both cyclists and motorists on how to share the road;
- Winter maintenance was a common concern for the pedestrian network, with many sidewalks not cleared of snow;
- There was concern about the health of children in neighbourhoods where they no longer walk or cycle to school;
- Filling in gaps in the sidewalk network, for example, when they are only on one side of the road, is seen as a priority; and,
- Focus on improving pedestrian realm, including better streetscaping, more shade, wider sidewalks to accommodate mobility devices and other wheeled users.

4. Next Steps

The input received through this first stage of engagement for the Transportation Master Plan will be used to:

- Update and finalize the draft Transportation Directions for approval by City Council;
- Identify issues, constraints, and opportunities for transportation in Regina; and,
- Determine policy and network responses through the development of transportation network alternatives and draft policies in the next phase of the Transportation Master Plan process.

Public and stakeholder engagement will continue throughout the Transportation Master Plan process. The next phase of engagement will occur through the plan and policy development stage. **Appendix A:** Draft Transportation Directions



Backgrounder - TRANSPORTATION DIRECTIONS

Transportation Directions will guide the development of policies and strategies for the city-wide Transportation Master Plan (TMP). The following Draft Transportation Directions reflect the input received from the Design Regina public and stakeholder consultations and are aligned to support the City's Vision and the Design Regina Community Priorities. Transportation Directions are based on the guiding principles of accessibility, environmental protection, and social equity. They will enable Regina to provide a transportation system that is safe, affordable and compatible with all four seasons.

Offer a range of sustainable transportation choices for all

Regina's residents will have a choice of travel modes that complement access by private automobile. Strategies around transit, walking, cycling, and carpooling, combined with programs that educate and maximize existing transportation infrastructure, will offer travel choices that are easy, affordable, sustainable and more enjoyable for all users.

Integrate transportation and land use planning

By planning land use and transportation concurrently, Regina can tailor new and existing neighbourhoods to make it easier to get around by all modes. *Complete Streets*, which feature a range of transportation modes, will help support vibrant, active and *Complete Neighbourhoods*.

Elevate the role of public transit

Public transit will play a pivotal role in Regina's transportation future by becoming a competitive travel choice tightly integrated with our neighbourhoods. Transit will work toward a more accessible system with frequent and reliable service, extended hours, and enhanced customer amenities. The identification of primary transit corridors suitable for express routes will help shape land use.

Promote active lifestyles through active transportation

Active modes – walking, rolling, and cycling – will be integral parts of Regina's daily life. Pathways and bikeways will be extended to provide a connected network of green, comfortable, and safe active corridors to key destinations. Educational programs will promote mutual respect among all road users and advocate the benefits of active transportation.

Optimize road network capacity

Road network planning will focus on optimizing existing capacity to minimize the need for widening and expansion, reducing infrastructure costs while managing congestion. A hierarchy of road classes will provide city-wide connectivity while minimizing neighbourhood traffic impacts. New and existing roads will be tailored to reflect community context and modern design standards.

Invest in an affordable and well-maintained system

Investment in the transportation system will be made based on a long-term outlook through a framework of life cycle costing. The lifespan of existing infrastructure will be maximized through progressive maintenance practices coupled with continuous monitoring and evaluation. Maintenance will demonstrate leadership through adopting environmentally responsible procedures and practices.

Support a prosperous Regina and region

The transportation network will provide efficient and effective movement of goods and people to support economic growth, particularly in Regina's key employment areas. Regional and intergovernmental partnerships will help to ensure Regina is competitive in a global economy.







Transportation Directions



July 2012





This document presents the Transportation Directions for Regina's Transportation Master Plan. These directions will be the guiding statements for the development of the plan, its policies and strategies, and transportation network alternatives.

Development of the Transportation Directions

The Transportation Directions were developed to reflect the input received through the Design Regina public and stakeholder consultation process and are intended to align with the City's Vision and the Design Regina Community Priorities, which were approved by City Council in its meeting on April 30, 2012.

The initial draft Transportation Directions were completed in early May 2012, culminating in the public launch of the Transportation Master Plan process and presentation of the draft directions on May 23, 2012. Four open houses were held between May 23 and 26, 2012 at Cornwall Centre, Northgate Mall, Southland Mall, and Victoria Square Mall to solicit public input and feedback on the draft directions. Stakeholder meetings were also held with representatives of community groups, transportation service providers, and regional government partners. Online consultation also took place through a survey on the Design Regina website.

Feedback on the draft Transportation Directions was positive, with many stakeholders and members of the public supporting the draft directions. Minor changes were suggested to improve wording and terminology; the majority of the draft Transportation Directions have been left intact in the final format presented in this document.

A full summary of engagement related to this first stage of the Transportation Master Plan can be found in a separate report entitled "Engagement Summary: Transportation Directions", dated July 2012.



Structure of the Transportation Directions

There are two components to the Transportation Directions:

The **Guiding Principles** represent the broad objectives that should be a consideration throughout the Transportation Master Plan and for transportation planning and operations in general.

The **Transportation Directions** set out the objectives of the Transportation Master Plan and will guide the development of strategies and policies.





Guiding Principles



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Accessibility

The Transportation Master Plan will continue advancing towards an inclusive, universally accessible transportation system that is responsive to changing demographics, mobility needs, and best practices in universal and barrier-free design.



Environmental Protection

Improving the environmental performance of the transportation system through travel reduction, modal shift, alternative fuels, and emissions reduction will be identified to help conserve resources and preserve the environment for future generations.



Social Equity

Transportation strategies will aim to promote equitable access to mobility, develop safe and healthy communities, and maximize opportunities for all citizens in Regina.



Technology

Transportation in Regina will take advantage of advances and innovations in technology to improve the efficiency of the network and improve traveller information. Open data would encourage local solutions to local challenges.



Fit for Four Seasons

The Transportation Master Plan recognizes that Regina is a city with four distinct seasons. Policies and strategies must consider the challenges of, but also the opportunities provided by, the climate.



Safety

Ensuring the safe movement of people and goods, regardless of travel mode, is paramount within the Transportation Master Plan.









TRANSPORTATION DIRECTION #1 Offer a range of sustainable transportation choices for all

Regina's residents will have a choice of travel modes that complement access by private automobile. Strategies around transit, walking, cycling, and carpooling, combined with programs that educate and maximize existing transportation infrastructure, will offer travel choices that are easy, affordable, sustainable and more enjoyable for all users.









TRANSPORTATION DIRECTION #2

Integrate transportation and land use planning.

By planning land use and transportation concurrently, Regina can tailor new and existing neighbourhoods to make it easier to get around by all modes. *Complete Streets*, which feature a range of transportation modes, will help support vibrant, active and *Complete Neighbourhoods*.









TRANSPORTATION DIRECTION #3 Elevate the role of public transit.

Public transit will play a pivotal role in Regina's transportation future by becoming a competitive travel choice tightly integrated with our neighbourhoods. Transit will work toward a more accessible system with frequent and reliable service, extended hours, and enhanced customer amenities. The identification of primary transit corridors suitable for express routes will help shape land use.









TRANSPORTATION DIRECTION #4

Promote active transportation for healthier communities.

Active modes – walking, rolling, and cycling – will be an integral mode for day-to-day travel and for recreation. Pathways and bikeways will be extended to provide a connected network of green, comfortable, and safe active corridors between key destinations. Educational programs will promote mutual respect among all road users and advocate the benefits of active transportation.









TRANSPORTATION DIRECTION #5 Optimize road network capacity.

Road network planning will focus on optimizing existing capacity to minimize the need for widening and expansion, reducing infrastructure costs while managing congestion. A hierarchy of road classes will provide city-wide connectivity while minimizing neighbourhood traffic impacts. New and existing roads will be tailored to reflect community context and modern design standards.









TRANSPORTATION DIRECTION #6 Invest in an affordable and durable system.

Investment in the transportation system will be made based on a long-term outlook through a framework of life cycle costing. Existing infrastructure will be monitored, inspected regularly, and undergo timely maintenance to maximize life span. Maintenance will demonstrate leadership through adopting environmentally responsible procedures and practices.









TRANSPORTATION DIRECTION #7

Support a prosperous Regina and region.

The transportation network will provide efficient and effective movement of goods and people to support economic growth, particularly in Regina's key employment areas. Regional and inter-governmental partnerships will help to ensure Regina is competitive in a global economy.

September 5, 2012

To: Members, Executive Committee

Re: Upper Qu'Appelle Conveyance Project

RECOMMENDATION

That this report be received and filed.

CONCLUSION

The Upper Qu'Appelle Water Conveyance Project is proposed to convey additional water from Lake Diefenbaker to Buffalo Pound Lake. The present channel between Lake Diefenbaker and Buffalo Pound Lake (the Qu'Appelle River) has deteriorated due to erosion, sedimentation and seasonal growth of aquatic vegetation.

The South Central Enterprise Region (SCER) is presently conducting a feasibility-level design study of a proposed constructed channel, up and out of the present Qu'Appelle River valley, from Lake Diefenbaker to Buffalo Pound Lake. This project would convey water for increased agricultural, municipal and industrial uses. The present river channel would be retained to meet environmental needs and base winter non-agricultural needs. The Buffalo Pound Water Treatment Plant has a water allocation adequate for significant municipal growth; however, the current channel/river cannot provide increased flows for regional purposes (municipal, industrial, agricultural).

The SCER expects this study to be completed in September, 2012. The study will be presented to Enterprise Saskatchewan and the Saskatchewan Watershed Authority.

BACKGROUND

At the June 25, 2012 Council Meeting, a motion (MN12-4) was brought forward by Councillor Clipsham requesting:

That the Administration prepare a report for the August, 2012, meeting of the Executive Committee to brief Council on the implications of the proposed Upper Qu'Appelle Conveyance Project, including recommendations on actions required of Council.

DISCUSSION

The Buffalo Pound Water Treatment Plant is the source of drinking water for the City of Regina and the City of Moose Jaw. While the plant draws water from Buffalo Pound Lake, the plant's license is actually to draw water from the South Saskatchewan River System. The releases from Lake Diefenbaker, and subsequent releases from Buffalo Pound Lake, maintain levels in the Qu'Appelle River and the other lakes in the Qu'Appelle River chain.

Buffalo Pound Lake is a multi-use man-made reservoir built in 1939. In addition to providing water for the Buffalo Pound Water Treatment Plant, the lake also provides water to present and future potash mines and other industrial users. The Lake is a focal point for a provincial park and several resort villages. The Qu'Appelle River and Buffalo Pound Lake also provide water for irrigation and agricultural needs.

Lake Diefenbaker is a man-made reservoir created in 1967 by two dams, the larger Gardiner Dam and the smaller Qu'Appelle Dam. With the creation of Lake Diefenbaker it was also necessary to construct a 35 kilometre long channel from the Qu'Appelle Dam to intersect the "natural" Qu'Appelle River. The Qu'Appelle River runs approximately 62 kilometres further to Buffalo Pound Lake. The dams and constructed channel are owned and operated by the Saskatchewan Watershed Authority.

The design capacity of the constructed channel when it was originally built in the 1960's was 14 cubic meters per second (cm/s). Erosion, sedimentation and seasonal growth of aquatic vegetation now often restrict flow to 6 cm/s or less. Analytical work done by the Buffalo Pound Water Treatment Plant confirms an exponential increase in erosion when flows are above 7 cm/s. An increase in projected agricultural and industrial demands requires that work be done to convey more water from Lake Diefenbaker to Buffalo Pound Lake.

Lake Diefenbaker is a source of water for major irrigation projects in southern Saskatchewan. The Saskatchewan Irrigation Projects Association (SIPA) has, for many years, promoted additional irrigation opportunities in lands south of the Upper Qu'Appelle River along highway 42. It has long been proposed that up to 120,000 acres of land could be irrigated by Lake Diefenbaker water provided by a channel through that area. In 2006 SIPA contracted an engineering firm UMA (that was eventually acquired by AECOM) to conduct a preliminary review and cost estimate.

In December 2008, the Saskatchewan Watershed Authority engaged the consulting firm AECOM to evaluate options to convey greater quantities of water from Lake Diefenbaker to Buffalo Pound Lake. This evaluation was initiated in response to potential development of significant new water demands on Buffalo Pound Lake such as new and expanding potash mines, a polygeneration plant, increased municipal demands, and potential irrigation developments both above and below Buffalo Pound Lake. The major conclusion of this study was that constructing a new channel out of the Qu'Appelle valley was as cost effective and more easily constructed than upgrading the channel in the river valley. Upgrading of the existing conveyance system will be further hampered by the requirement to maintain continuous flows, short construction seasons, limited access and wet conditions. Construction in the river valley would be impacted by federal fisheries regulations and the soils in the valley are structurally weak; construction of a new channel was viewed as much more straightforward.

The present river channel would be retained to meet environmental needs and base winter municipal and industrial needs. The Saskatchewan Watershed Authority conducted a study in 2012 that confirms that 4 cm/s can be conveyed by the channel even in the winter, under ice.

This 2008 report has led the SCER to be a proponent of a large conveyance project that combines both the potential irrigation uses and increased water supply capabilities. The CSER Study of 2012 is intended to:

- Quantify the economic impacts and analyze the economic feasibility of an improved water supply works.
- Prepare a feasibility-level design, basic drawings, capital cost estimate and estimated annual operation and maintenance costs for a new intake into Lake Diefenbaker, pump station and discharge pipelines in the vicinity of the Qu'Appelle Dam.
- Prepare a feasibility-level design, basic drawings, capital cost estimate and estimated annual operation and maintenance costs for the canal, intermediate reservoir, pump station and all appurtenant structures from the vicinity of the Qu'Appelle Dam to the vicinity of Buffalo Pound Lake near Highway No. 2.
- Prepare a feasibility-level design, basic drawings, capital cost estimate and estimated annual operation and maintenance costs for a new spillway or discharge conduit from the canal into Buffalo Pound Lake near Highway No. 2.

The CSER conducted a competitive process to select its consultants and AECOM was again the consultant for this study. Though originally intended to be complete by August 1, 2012 the CSER now expects this study to be completed by September 30, 2012.

The Administration and the Buffalo Pound Water Administration Board will continue to monitor any future development if the proposed Upper Qu'Appelle Conveyance Project proceeds to ensure water quality in Buffalo Pound Lake is not negatively impacted. It is also important that the Administration and the Buffalo Pound Water Administration Board remain as stakeholders in this Project to be aware of how much water will be conveyed into Buffalo Pound Lake, especially during months out of the irrigation season. Operating a channel of this nature during the winter freezing months creates different challenges that again, could lead to erosion and a negative impact on Buffalo Pound Lake water quality.

RECOMMENDATION IMPLICATIONS

Financial Implications

In the province of Saskatchewan there are no fees or charges paid by municipalities for the withdrawal of water from a lake or reservoir. At this time no agency promoting the Upper Qu'Appelle Conveyance Project is suggesting there be any change to this policy, nor is there any suggestion there be financial contributions from the Cities of Moose Jaw or Regina into funding the project.

Environmental Implications

The water in Lake Diefenbaker is generally of better quality than that in Buffalo Pound Lake. Conveying more water from Lake Diefenbaker can therefore potentially improve Buffalo Pound Lake water quality. One of the sources of deterioration of Buffalo Pound Lake water is erosion in the current channel. The transfer of large amounts of water from the proposed channel down into Buffalo Pound Lake requires construction and operation of a spillway or discharge conduit that can dissipate the water energy without causing erosion. If the water energy is not dissipated properly severe erosion is a potential consequence that could lead to a deterioration of Buffalo Pound Lake water quality. It appears SCER is aware of this concern, having identified the need for a spillway in its feasibility study.

Strategic Implications

At this stage, the project is in the feasibility stage. It will be important for the Administration and Buffalo Pound Water Administration Board to continue to monitor progress on the project and further involve itself as stakeholders in future discussions. While one the primary concerns is the impact of the project on drinking water quality, future demands for water resulting from possible increases in industrial, municipal, agricultural and irrigation demands are also important considerations for the city moving forward.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

None with respect to this report.

DELEGATED AUTHORITY

This document is for the information of Executive Committee.

Respectfully submitted,

Bellows

Derrick Bellows, Chair Buffalo Pound Water Administration Board

FC/BB/cp

Thats-

Respectfully submitted,

W. Dorian Wandzura, Deputy City Manager & COO City Operations

September 5, 2012

To: Members, Executive Committee

Re: Regina Downtown Neighbourhood Plan Implementation Update

RECOMMENDATION

That this report be received and filed.

CONCLUSION

Since its endorsement by Council in the fall of 2009, the Administration has been working to implement the Regina Downtown Neighbourhood Plan (RDNP). Action has been initiated, is ongoing or complete on 31 of the plan's recommendations. In addition to public investments the administration has also worked with the development community to review and approve six significant private sector development projects which when complete will add more than 200 new residential units and dozens of hotel rooms to the downtown as well as several hundred thousand square feet of new office space.

The purpose of this report is to provide an update on the public and private sector activities that have been undertaken in support of the RDNP's action plan since Council's endorsement of the plan in 2009. The body of the report discusses the City Square plaza project in some detail and provides an overview of other significant projects/initiatives in the Downtown. The plaza project is discussed in more detail owing to the significant amount of public and stakeholder attention on the project during construction and since its opening. Appendix A of the report provides information and status related to the specific actions in the RDNP implementation plan.

BACKGROUND

Origin of the Regina Downtown Neighbourhood Plan

In September 2007, Office for Urbanism in association with UMA, Goldsmith Borgal & Company Architects, and urbanMetrics was retained by the City of Regina to consult the public, conduct research and analysis and to create a new downtown plan. The objective was to replace the existing Downtown Plan (Part G of the Regina development Plan Bylaw No. 7887) by generating a new plan through a collaborative process involving a broad array of stakeholders.

Plan Purpose

The Regina Downtown Neighbourhood Plan provides a comprehensive framework for decision making related to the growth and development of Downtown for the next 20 years. The plan provides a policy framework to shape planning outcomes as new projects come to fruition and as capital investments are made. It is both a vision and an action strategy to make that vision real.

Plan Vision

The RDNP provides a rationale for decision making, giving direction to the City and key stakeholders as it reinforces the commercial character of the Downtown and transforms it into a complete and walkable neighbourhood. It functions as the key tool to leverage investment from other sources such as through urban development agreements and through the bonusing

framework. It both directs public sector investment, ensuring coordination among departments as capital investments are made, as well as attracting outside investment by demonstrating the character and quality of the future, and the commitment of the municipality to the Downtown as a priority. The vision provides certainty for City staff, Council, the development industry, and residents with respect to the future of the Downtown. Certainty, combined with a commitment to quality, is critical to attracting outside investment.

DISCUSSION

The Regina Downtown Neighbourhood Plan focuses public sector and private sector investments in the downtown area. Since its endorsement by council in 2009, the City has made several significant investments in the function and operation of our roadway network in the downtown to help increase vibrancy and to support a better balance between vehicle traffic and other modes of transportation.

Public Sector Investments:

City Square plaza:

Overview of Project

The most significant of the City's investments in the downtown since the endorsement of the RDNP is the City Square plaza. At a total cost of \$13 million, this project transformed an existing collector roadway into a shared pedestrian and vehicle space that enhances the northern edge of Victoria Park by creating an outdoor cultural events facility. The plaza was a jointly funded initiative between the Federal, Provincial and Municipal Governments, with a significant portion of the funding contributions being derived from developer-supported servicing agreement fee reserve funds. The plaza experienced significant delays and cost escalation through its construction which is addressed further below. Since its opening in the spring of 2012, the plaza has hosted 129 events, on 90 separate days. In addition to the programmed events, the City instituted a mobile food vending pilot project which brought food vendors to the plaza daily to help both generate and support casual and programmed activities through the provision of food and drink.

Construction Delays and Costs

As noted above, completion of the City Square plaza was delayed approximately one year. These delays resulted from a combination of a wet weather conditions (40 days lost to rain in 2010), complex and aged underground utility systems, and design related matters that required time for adjustments to be made. The construction and delays associated with the plaza, in combination with other ongoing construction in the vicinity of the plaza, led to negative public reaction. It should be noted that approximately mid-way through the project the architectural firm was released from their contract and there is currently legal claims between the firm and the City of Regina.

The project budget also had to be increased as design and construction progressed. The original estimate provided by the consultant was approximately \$7.0M. When tendered, however, both of the bids received were considerably higher than the estimate. The total value of the successful tender, including both the contractor and consultant costs, was \$10.2 million. At the time the tender was awarded, City Council allocated additional funds from both servicing agreement fees and reserves in order to provide the project with a budget of \$10.5 million.

As a result of the delays and design changes that were required after construction began, the final cost was approximately \$13.0 million, resulting in an over expenditure of \$2.5 million above the allocated budget. The additional funds required to complete the project came from external funding programs as well as from other capital projects that had been completed under budget. One example of such a project is the Global Transportation Hub servicing project which came in over \$1.0 million under budget. The following table shows how the \$13 million budget was spent:

Table 1: Cost Summary - City Square plaza project	Dollars
Construction company and consultant contracts	10,229,592
Delays/change orders	1,819,268
Additional consulting work	162,430
Additional utility costs	206,333
Internal work orders (sewer lining/signals/irrigation)	680,869
TOTAL Expenditures	13,098,492

It should be noted that much of the funding for the plaza was from external sources. In addition, it seems that there is some confusion in the public regarding the cost, allocated budget and sources of funding for the project. The table below outlines all of the funding sources that contributed to the construction of the plaza.

Table 2: Funding Sources – City Square plaza project	Dollars
City Sources	
City contributions (budgeted contributions to capital)	504,392
Service Agreement Fee reserves – Parks Account	3,900,000
Water Utility	495,000
Transfers from other capital projects	799,100
Third Party Funding - Grants	
MEEP Grant (Muncipal Economic Enhancement Program)	3,300,000
Urban Development Agreement Grant	
- Province portion	300,000
- Federal Government portion	1,700,000
- City portion	500,000
Provincial Territorial Grant (Building Canada Federal Program)	1,600,000
Total	13,098,492

Re-evaluation of Plaza for Traffic Use

During the final phases of construction, the plaza was used by pedestrians as an exclusive, vehicle-free space. The positive reaction to the space as a pedestrian-only space led to the reconsideration of the original intent to re-open the space to two-way vehicle traffic. Although the plaza was designed for and is able to accommodate two-way traffic, Council determined that the matter should be studied in further detail in order to assess traffic impacts associated with a range of options for traffic use on the plaza.

In the fall of 2011, City Council directed the Administration to review options for managing traffic in the Downtown and the Administration responded by commissioning the Downtown Traffic Study (DTS) which is also discussed subsequently in this report. Phase One of this review focused specifically on traffic operations for the Plaza and short-term traffic

improvements for the 11th Avenue corridor. A thorough traffic analysis was required because other earlier traffic studies did not examine detailed options for the plaza; rather they assumed two-way traffic through the plaza space.

Recently, Phase One of the DTS was completed which assessed options for the plaza and measures to address traffic concerns on 11th Avenue. Accepting the recommendations from the consultant who conducted the study, Council has approved a balance approach to vehicle access which provides for a westbound circulating pattern. Under this scenario, no through traffic will be permitted and much of the space remains vehicle-free. This approach is intended to balance the need for local access and circulation to support businesses with the desire to provide a large safe, pleasant and flexible space for active users and events. The results of Phase One of the DTS are discussed further in the Transportation Investments section of this report.

External Review of Project Management

Owing to the project management issues noted above, and in an effort to continuously improve as an organization, the City Manager commissioned an external review of the City Square plaza project to assess the project management practices employed for the project and identify opportunities for improvement for future project managers. The full report, redacted where appropriate, is available on the Open Information page of City website.

The review identified three major factors accounting for the delays and cost overruns: wet weather, limited information about the underground infrastructure, and incomplete project planning. With respect to project management or project planning, the consultant noted that there was generally weak adherence to sound project management practices, and that the original project leadership group was largely design focused and should have had a broader base of experience. It should also be noted that the consultant's report has been redacted to remove certain information to protect the City's litigation interests.

In response to the results of the review, a session was held with those involved in the City Square project and other staff with significant project management responsibilities, in order to discuss the results of the review and identify specific actions to prevent similar problems from occurring in the future. In addition, the City Manager has committed to "raise the bar" with respect to project management through enhanced support from his office and the development of a stronger project management training program within the organization. Another action resulting from this review was the development and implementation of more regular and rigorous requirements for providing status reports on current projects to the Office of the City Manager. Discussions continue within the organization on ways to continue to enhance project management skills and to embed leading project management practices within the organization's culture.

Going Forward

The plaza construction was substantially complete in November of 2010, with full completion occurring this year. It is currently being well used by both large annual/one-time events and features regular programming by the Regina Farmers Market, community groups, and food vendors.

Future work on the plaza includes preparation for the introduction of limited traffic to the space in the fall of 2012, the completion of a formal programming and management plan to replace the current pilot/interim policy, and the construction of the pavilion buildings at the east and west ends of the plaza as part of future capital works. The City will also monitor traffic flow and use of the plaza and provide an annual report to Council on this and Downtown traffic flows in general.

Roadways Investments

Other investments that have been made in the downtown include sidewalk and roadway improvements on Victoria Avenue between Angus and Albert streets, sidewalk renewal from Victoria Avenue to 13th Avenue on Albert Street, roadway resurfacing and traffic signal renewal on Albert Street from College Avenue to Victoria Avenue, and the complete reconstruction and rehabilitation of the 1800 block of Lorne Street including the roadway, sidewalks, and underground utilities.

In direct response to the recommendations of the RDNP, these projects have included significant improvements to the pedestrian realm, including site furnishings, street tree plantings, curb extensions to shorten pedestrian crossing times, and push button controllers to both increase crossing times for pedestrians, and improve safety for the blind and low-vision community. Future projects will include Phase II of the Albert Street renewal project, reconstruction of 12th Avenue from Lorne to Albert Street, Reconstruction of the 1800 block of Smith Street and an intersection upgrade project at Albert Street and Saskatchewan Drive.

Urban Forestry Investments

When the City Square plaza was constructed there was public concern regarding the loss of trees from the park. In fact, when the trees were removed from Victoria Park, all healthy trees were relocated and with the replacement trees that were planted in the south part of the plaza, there are now more trees in the park area than prior to construction.

In addition to plantings related to the plaza, street tree plantings in various locations along 12th and Victoria Avenues, and Albert, Lorne, and Hamilton Streets have addressed the RDNP's recommendations of making downtown a green zone. Through implementing modern urban tree planting techniques such as the provision of soil trenches and Silva Cells which provide a growing environment for urban trees to ensure their long term survival in the downtown, the city can achieve a significant return on investment through heat-island mitigation, pollution filtration, habitat creation, and place shaping.

Underground Infrastructure Investments

Investments in the upgrading and preservation of underground infrastructure have also been significant since the RDNP's endorsement by Council. A portion of the 105 year old water main on 12th Avenue was replaced as part of the City Square project, and the portion of the main from Lorne Street to Albert Street is currently being relined. In addition, 1315 linear meters of domestic sewer mains and trunk lines have been relined in the Downtown area. A study of Downtown storm, sanitary and water system capacity is currently underway which will help to determine any additional services and infrastructure needs required to meet the plans targets. The RDNP will also strategically direct future investments in infrastructure upgrades throughout the Downtown and beyond.

Transportation Investments:

One of the recommendations from the RDNP that was implemented early in the process was the conversion of 11th and 12th Avenues back to two-way traffic. As noted in the plan, many cities have converted downtown streets to two-way traffic to achieve a number of public benefits. Rationale behind two-way Downtown traffic includes: easier navigation for drivers; improved access and mobility for cyclists; the potential for reduced vehicle speeds which can improve pedestrian safety; reduced walking distances for transit users; and, improved access for

emergency vehicles, delivery trucks and other drivers. The conversion project supports the "Big Moves" in the RDNP, specifically: to put pedestrians first and create exceptional public transit. It also is key to the overarching theme of "walk to work" and was supported by the traffic analysis conducted during the development of the RDNP.

Since the two-way conversion and City Square plaza construction began, traffic concerns have frequently been raised by citizens and Downtown stakeholders. The focus of the traffic concerns has related to traffic operations on 11th Avenue and traffic circulation in the vicinity of the plaza itself. Experience has shown that the impact of and interaction between the two-way conversion and the plaza traffic restrictions was underestimated on 11th Avenue, owing partly to the nature of transit operations on 11th Avenue and continued issues with respect to illegal parking in the transit lanes during peak hours. When this underestimation is coupled with the added impact of the closure of the City Square plaza to vehicle traffic, the effect was compounded.

In response to these traffic concerns, and in order to address future traffic access to the plaza itself, City Council funded the Downtown Transportation Study (DTS) which seeks to improve the function of the transportation system in Downtown for all modes. Phase One of the Downtown Transportation Study is complete. The purpose of Phase One was to determine whether or not vehicular traffic should be allowed on City Square plaza and to provide recommendations to improve traffic flow on the 11th and 12th Avenue corridors Downtown.

Following the collection of public feedback through numerous open houses and stakeholder meetings, a balanced solution to traffic on City Square plaza has been developed. The balanced solution involves allowing vehicular traffic to travel one-way westbound through the plaza, with vehicles being forced to turn north at Cornwall Street, preventing through traffic. This solution addresses circulation and access issues identified by the public, while encouraging the use of the plaza for mostly local traffic.

Phase One has also identified improvements to 11th Avenue, including adopting a pay and display parking system, increased enforcement of illegally parked vehicles, and adjustment to the location of some bus stops. Phase Two of the study will assess traffic flow throughout the entire Downtown and identify recommendations related to all forms of vehicular and pedestrian circulation. Recommendations related to parking will be further evaluated in the context of the Downtown and Vicinity Parking Strategy, which is expected to be underway in September.

Market Studies:

In 2010-2011 the City partnered with the Regina Downtown Business Improvement District (RDBID) to commission the Downtown Development and Market Opportunities Study which confirmed the economic viability of residential development at a variety of scales in the downtown area through a proforma analysis of three potential redevelopment sites. Recently the City again partnered with the RDBID to participate in a report by the Canadian Urban Institute on the Value of Investing in Canadian Downtowns. Key findings of this report include that while downtown Regina represents only 1% of the City's overall land area, it generates 9% of the City's tax revenues, and has seen an 18% increase in residential population since 2006, versus 8% for the city as a whole. An RFP will be issued in early September to conduct a review of parking services at the City and develop a downtown and vicinity parking strategy. The strategy will identify policies, practices and technology that will influence and/or address supply and demand issues. Recommendations for implementation will be identified late in the second quarter of 2013.

Private Sector Investments:

Since the plan's endorsement in 2009, the City has approved development applications for six major private sector developments (as outlined in the table below), four of which are currently under construction. Three of the six developments will fill in existing vacant sites in the downtown area resulting in significant improvements to the public realm. The other three developments while replacing existing smaller buildings will retain or enhance active frontage at grade along their building edges and result in improvements to the public realm such as street trees and site furnishings. The estimated total construction value of the six projects is \$253,000,000 million and the estimated overall tax benefit of these developments is \$2,550,000 million/year.

In addition to the approved construction projects below, the owners of the Copper Kettle and O'Hanlons restaurants on 1900 block of Scarth Street have purchased the parking lanes in front of their businesses and intend to build a permanent patio to replace the temporary wooden structure currently in place seasonally. The patio space will be well heated to extend the outdoor dining season and represents a significant private investment in the public realm adjacent to Victoria Park.

Project	Key Information		
Hill Centre Tower	Approval Date:	August 2010	
III (Hamilton Street	Project value:	\$50 million18 Storeys, 210,000 sq ft, Office Tower	
and 12 th Avenue)	Information:		
	Key Tenant:	Mosaic Corporation	
	Estimated Tax benefit:	\$599,400	
	Status:	Under Construction – Occupancy late 2012	
	Public Amenities:	Public meeting space, art displays / gallery	
		in atrium, and public sidewalk and	
		landscaping. An additional amenity	
		contribution payment to the City in the	
		amount of \$480,000 was also provided	
Capital Pointe	Approval Date:	May 2010	
(Albert Street and	Project value:	\$70 million (estimate)	
Victoria Avenue)	Information:	Apartment tower – 26 storeys, 130 units	
		Hotel 9 storeys, 130 rooms	
	Key Tenant:	Hilton identified as hotel occupant/operator	
		at time of approval	
	Estimated Tax benefit:	\$537,200	
	Status:	Former Plains Hotel demolished in late 2011	
		Development permit has expired. To	
		proceed an application for re-approval is	
		required through RPC and City Council	
	Public Amenities:	Enhancement to public realm including	
		street trees and walk replacement, green roof	
		on hotel, retention of former plains hotel	
		sign	

Table 3: Private Investment Summary

Office Building	Approval Date:	July 2010
Albert Street & 11 th	Project value:	\$5 million
Avenue	Information:	4 storey office building, 80,000 sq ft
	Key Tenant:	Multi-tenant office building
	Estimated Tax benefit:	\$228,500
	Status:	Under Construction, occupancy early 2013
	Public Amenities:	Not required. Although through landscape
		plan approval the applicant has provided a 5
		metre setback and will be providing street
		trees
	Other Information:	Former site of the Coronet Theatre
Royalty Tower	Approval Date:	October 2011
$(12^{th}$ Avenue and	Project value:	\$100 million
Rose Street)	Information:	16 Storey office building, 380,000 sq ft
	Key Tenant:	Multi-tenant office building
	Estimated Tax benefit:	\$1,014,000
	Status:	Construction not yet commenced
	Public Amenities:	Day care centre, public realm / streetscape
		improvements including landscaping, trees,
		public art, green roof and waste
	Oth on information.	minimization plan.
	Other Information:	would be the largest office building in the
Cardana an Daga	A paraval Data:	March 2010
Galdens on Rose	Project value:	\$22.9 million
	Information:	12 Storey anartment condominium tower
	information.	with 68 units
	Key Tenant:	Residential uses, coffee shop/restaurant and
		commercial use at grade with outdoor
		seating
	Status:	Under Construction with occupancy in 2013
	Public Amenities:	Public realm streetscape improvements
		including landscaping, trees, traffic bulb-out,
		green and public amenity roof
	Estimated Tax benefit:	\$124,300
	Other Information:	Incorporated new standards for parkade
		development into the design features of the
1.1 th A 1		building
11 Avenue and Prood Street office	Approval Date:	January 2012
expansion and	Project value:	Addition to existing two stores office
redevelopment	information:	Audition to existing two storey office building to add third and fourth floor
	Key Tenant.	Assorted Office, main floor retail
	ixey renalit.	
	Status:	Under construction
	Public Amenities:	Not required
	Estimated Tax benefit:	\$46,000

RECOMMENDATION IMPLICATIONS

Financial Implications

There are no direct financial implications to this report. The table of information below outlines public sector investment since the adoption of the RDNP.

Project Category Year Costs Urban Design 2009-City Square Construction and \$10,229,592 2012 consultant contract: Delays/change \$ 1,819,268 orders: Additional \$ 162,430 consulting: Additional utility \$ 206,333 costs: Internal work orders (sewer/signals and \$ 680,869 irrigation): Total: \$13,098,492 Roadways 2010 Albert St. Upgrades \$1,381,058 2012 Lorne St. \$4,500,000 (estimated) reconstruction Total \$5,881,058 Signals & Lighting 11th & 12th Avenue 2009 \$280,000 two-way conversion project Albert Street Project 2010 \$441,037 2012 Lorne Street \$220,000 Reconstruction Total: \$661,037 Fibre Optic and communications Cables 2012 \$500,000 (estimated) Lorne Street Reconstruction Total: \$500,000 Undergrounds 2010 Domestic Sewer \$207,994 relining Storm Sewer relining 2010 \$6,224 12th Avenue Water 2012 \$250,000 main relining Total: \$464,218 **Grand Total** \$20,604,805

 Table 4: 2010 – 2012 Downtown Infrastructure Investment Summary Chart:

Environmental Implications

There are significant environmental benefits from the public implementation and private sector adherence to the RDNP. Infrastructure renewal projects such as sewer and water main relining improve the operations and capacity of our existing infrastructure with minimal construction related waste and green house gas emissions. Improvements to the urban forest through the implementation of modern urban tree planting techniques will allow the city to reap the benefits of large urban trees for generations as they clean our air and water, reduce the urban heat island effect, improve storm water management, and help to create inviting places to be for citizens and local wildlife. Private sector developments, especially those with a mix of uses, including residential, have the potential to reduce vehicle miles travelled and their associated green house gas emissions, and impacts on our roadway infrastructure, for residents who live and also work downtown. Commercial and residential infill in existing serviced areas like downtown also helps to reduce the need to continually expand the City's physical and environmental footprint through peripheral development, reducing the need for additional roadways and other infrastructure.

Strategic Implications

The strategic implications of implementing the downtown neighbourhood plan include an improved financial situation for the City through increased tax revenues on already serviced land. Infill development helps reduce the City's environmental footprint through increased density, reduced transportation and other infrastructure and an improved urban forest. The private sector development that has occurred since the plan's endorsement has also lead to an increase in jobs, and economic activity in the downtown. From a private sector perspective, the plan established a clear, level playing field for all developers, which safeguards their investments in downtown by ensuring that all future developments meet or exceed the plan's built-form guidelines. The investment in the City Square plaza helps to reinforce the City's cultural sector by providing an additional venue for performances and all types of cultural expression.

Accessibility Implications

Improvements to accessibility downtown have been included in the roadways and signals construction and maintenance projects outlined above. Projects have included reconstruction of some curb ramps to improve access for citizens with mobility impairments and the installation of Digital Acoustic Pedestrian Signals (DAPS) to improve safety at many important intersections for members of the blind and low vision community. As part of the Downtown Transportation Study Phase One, consultations were held with the blind and low vision community to ensure that their way finding needs and safety were addressed in the proposed design changes to the City Square plaza which will allow for local traffic circulation. Click here to enter information

COMMUNICATIONS

As Downtown continues to grow and change, an extensive communication component is key to the process. Communication strategies have and will continue to be developed for individual projects including City Square plaza; Phase Two of the Downtown Transportation Plan and other projects connected to the Regina Downtown Neighbourhood Plan. This will include plans for public education and ongoing engagement with the public and key stakeholders.

DELEGATED AUTHORITY

Executive Committee has delegated authority to consider items not requiring further City Council deliberation.

Respectfully submitted,

Varon Carlaton

Jason Carlston, Deputy City Manager Community Planning and Development

CDS/JC/go

Respectfully submitted,

Glen B. Davies City Manager

APPENDIX A

Leadership						
Item	Action	RDNP Time Frame	Status	Comments		
L.1	Establish a City Centre Branch and Manager	Immediate	Complete	The City Centre Branch was established in the winter of 2008, and now comprises a Manager, two Senior City Planners, two City Planner IIs and a Senior Policy and Research Analyst. The branch was recently renamed the Neighbourhood Planning Branch and the responsibilities of the branch were expanded to include social development policy. This Branch is responsible for monitoring the progress of the RDNP implementation and for ensuring coordination between departments as business plans are established.		
Neighbo	urhood	Neighbourhood				
Item	Action	RDNP Time Frame	Status	Comments		
Item N.1	Action Establish a Residential Pilot Project	RDNP Time Frame Immediate	Status Ongoing	Comments Staff have been working directly with developers through various means including a design charette to support the construction of new housing units in the Downtown. In addition the administration co-sponsored the Downtown Development and Market Opportunities Study along with the RDBID. The study included proforma evaluation of three downtown sites and concluded that various scales of housing and commercial development would be economically viable throughout the downtown.		

				Opportunities Study concluded that realistically that the City should reduce its population projections to 2500 new residents over the next 15 years.
N.3	Rezone the downtown as a Direct Control District (DCD)	Immediate	Initiated	The Current Planning Branch drafted amendments to adopt a new Part G (Regina Downtown Neighbourhood Plan) of the OCP, and to develop new Zoning Bylaw standards to implement the Built-Form Framework contained in the Regina Downtown Neighbourhood Plan: Walk to Work. The amendments were approved by City Council on August 20, 2012 and await ministerial approval from the Province.
N.4	Include an urban design review step in the development permitting review process.	Immediate	Ongoing	The Current Planning Branch has adopted an urban design step in the review of five development proposals that came forward following the adoption of the Walk to Work report by City Council in September 2009. In the review of each proposal an internal urban design team approach was taken in reviewing these proposals and applying the Built-Form Framework from the Walk to Work report to these developments. Consideration of various approaches to urban design review will be considered as the Plan continues to be implemented.
N.5	Reflect Downtown as a complete community in City Policy	Immediate	Ongoing	Amendments to Part A were advanced to City Council for approval on August 20, 2012 to reflect the downtown as a complete community in city policy.
N.6	Encourage community gardens downtown as part of new residential projects	Medium	Ongoing	Community gardens are currently permitted in all parks and open spaces throughout the City of Regina, space permitting, as governed by Regina's Community Garden Policy. Consideration will be given to future changes to the bonusing provisions in The Zoning Bylaw No. 9250 to add community gardens as a bonusable amenity.
N.7	Create a Downtown Urban Forest Strategy	Medium Term	Future	This action item is included in Forestry and Pest Management's Strategic Plan for 2012-2013.
N.8	Encourage location of unique community services and offices of non-profit organizations	Near	Future	Through the application of bonusing, a community meeting room for non- profit groups was included in the Hill Centre Tower III project and a day care use was provided in the office tower approval for the northeast corner of 12 th Avenue and Rose Street. This action item will be addressed as opportunities arise through the bonusing provisions in the consideration of development proposals.
N.9	Coordinate existing and developing	Medium	Future	Although no formal initiative has commenced, the City maintains working

	initiatives for Downtown safety and security			with other Downtown partners and the RPS to address safety issues in the Downtown. This includes discussions regarding the potential use of cameras in public spaces.
N.10	Devise a Downtown Waste Management Strategy	Long Term	Future	
N.11	Revise the Winter Maintenance policy to Prioritize the Downtown	Immediate	Ongoing	Winter maintenance standards were updated in 2010 to focus more on snow removal in the downtown. Clearing and removal of snow from sidewalks continues to be an issue. The city will work with the RDBID as well as bylaw enforcement to increase compliance of business / property owners. Future reconstruction of sidewalks will seek to reduce clutter to allow better access for snow clearing equipment.
N.12	Conduct a servicing review for Storm and Waste Water Capacity for the Downtown	Near	Initiated	Capital funding was received to complete this study in 2012. The project is currently underway and involves a number of city business units. The study will be complete in early 2013.

Business

Item	Action	RDNP Time	Status	Comments
		Frame		
B.1	Identify 'Clusters' or 'Blocks' of	Near	Future	
B.2	Establish a permanent public market venue downtown	Near	Ongoing	With the opening of the City Square Plaza, the City will have established a permanent outdoor public market venue in downtown Regina. The plaza will allow the market to continue to expand their vendor numbers and the types of foods the market offers. Current vendor numbers sit at 92, up 8 from 2010, and up 50 from 2007. A permanent indoor venue in the downtown remains a future goal, and the market has been encouraged to explore opportunities in some of the proposed developments planned for the heart of downtown.
B.3	Conduct annual surveys directed at measuring changes in employment composition, market composition and	Immediate	Future	Preliminary discussions have been initiated with the RDBID about their leading this action item
	vacant properties			
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B.4	Foster a Symbiotic Partnership	Immediately	Future	
	Between Businesses and Artists			
B.5	Create a Façade Renewal and	Near	Planning	A draft policy for the implementation of this action item has been developed.
	Improvement Incentives Program		Stages	Neighbourhood Planning Branch staff are working with the RDBID to
			_	develop a funding structure and timelines for the program.

Culture

Item	Action	RDNP Time	Status	Comments
		Frame		
C.1	Create a City of Regina Cultural Plan	Near	Initiated	The Regina Culture Plan will scope the current state of the cultural landscape; resources (heritage, programs, festivals), infrastructure, functioning relationships, economic indicators, social impacts and needs. After identifying the roles and potential partnerships between governments, the community and the private sector, recommendations and relevant, effective policy can be implemented. The plan calls for significant community input throughout the scoping, identification and implementation phases. The City is currently creating the Culture Plan project team and investigating the most efficient and effective forward path for aligning the plan with the Design Regina initiative (the City's Official Community Plan).
C.2	Complete the City Square Project	Near	Complete	Substantial completion of the first phase of the Plaza construction was achieved in the late fall of 2011.
C.2.1	Complete the City Square Pavilions	Near	Initiated	Discussions are underway between the administration and an external partner organization to fund the construction, on-going management and operations of the Welcome Services Pavilion. Construction is proposed for summer of 2013, funding dependant. Pavilion functions will be determined as part of the City Square Programming and Management Strategy process.
C.3	Create a City Square Programming and Management Strategy	Near	Ongoing	Draft Strategy was completed in spring 2012. Community Services is monitoring the strategy's implementation and will develop a final strategy and comprehensive bylaw in 2013.

C.4	Revise the approach to heritage management	Near	Ongoing	See below
C.4.1	Update Heritage Inventory to include modern architectural forms and heritage landscapes	Near	Ongoing	Inventory of modern architectural forms for downtown is complete, heritage landscape inventory underway.
C.4.2	Create an inventory of heritage features worth retaining for each building on the Heritage Holding Bylaw	Immediate	Complete	
C.4.3	Raise awareness and understanding of current heritage management policies, guidelines and incentive programs	Near	Ongoing	
C.4.4	Assemble a compiled heritage management strategy, presented in a form that is easily accessible to the public	Near	Future	
C.4.5	Amend the tax structure that currently encourages and provides incentive for landowners to remove heritage buildings and build parking lots	Near	Ongoing	Amendments to the Zoning Bylaw approved by City Council on August 20, 2012 removed the permitted land use status for parking lots in the downtown. Future principal use surface parking lots in the downtown are not permitted.
C.4.6	Demand the highest standards of design and compatibility of all new development in a heritage context	Near	Future	
C.4.7	Develop a specific policy that makes the connection between heritage policy and the fulfilment of other Downtown goals.	Near	Future	
C.4.8	Formally adopt the Federal standards and Guidelines for heritage and align heritage policy language with those standards.	Near	Future	
C.4.9	Expand the boundaries of the Victoria Park heritage Conservation District	Near	Future	
C.4.10	Update the design guidelines that	Near	Future	

	accompany Part G of the Regina				
	Development Plan				
C.5	Establish a University of Regina presence in the Downtown.	Immediate	Future	In the spring of 2011, the University of Regina released an update to its campus master plan which reinforces the notion of 'a campus in the park'. The plan does not contemplate any University facilities, either teaching or residences in the downtown, but rather calls for all new developments to occur on the existing campus. It does however; contemplate a significant redevelopment of the historic College Avenue Campus, providing meeting and reception rooms to support academic conferences. Housing for students either in residences or as a component of new commercial developments remains an area where the administration will continue to work with developers and the University, should the opportunity arise, to encourage new housing in the downtown.	
C.6	Create a Signage and Wayfinding Strategy	Near	Planning Stages	Neighbourhood Planning Branch staff are partnering with the RDBID to develop materials to implement this strategy. The first signs should be installed in 2013. The Downtown Transportation Study also contains recommendations with respect to wayfinding that will be integrated with the work being completed by the Neighbourhood Planning Branch.	
C.7	Create a Patio Management Strategy	Immediate	Ongoing	Neighbourhood Planning Branch staff are leading this initiative. Proposed changes to Schedule G of the Clean Properties Bylaw will be brought forward in early 2013.	
C.8	Civic Heart Revitalization Working Group	Near	Future		
Transportation					
Item	Action	RDNP Time Frame	Status	Comments	
T.1	Study the cost and impact of converting all one-way, east-west streets to two way streets both in downtown and immediately south of downtown	Immediate – Near	Ongoing	As part of the development of the City Square Project, 11 th and 12 th Avenues were converted to two-way traffic in the spring of 2010. The performance of 11 th and 12 th Avenues to date and the feasibility of converting other streets to two-way operations are currently being reviewed as part of the Downtown Transportation Study.	

T.2	Create Alternative Street Standards	Near	Planning Stages	The Downtown Transportation Study is expected to identify appropriate street standards for key locations. These options will be used to form the basis for alternative street standards more broadly if appropriate.
T.3.6	Adjust signal timing on the main arterials to shorten wait times for pedestrians	Immediate	Future	
T.3.7	Improve Underpass Conditions (Albert & Broad):	Near	Planning Stages	A capital request for improvements to the intersection of Saskatchewan Drive and Albert St has been submitted. Improvements to the Albert St. underpass may be contemplated as part of this work, or an additional capital request for improvements will be made upon completion of the intersection upgrades. Improvements to the Broad St. underpass are unlikely to occur until development plans for the CP railways lands have been finalized.
T.4	Prioritize Cycling Within Transportation Planning	Near – Medium	Initiated	A Transportation Master Plan (TMP) for the City is being developed as part of the OCP process. The TMP, when complete, will address cycling infrastructure throughout Regina, including in the downtown. The need for improved cycling facilities has also been identified in Phase One of the Downtown Transportation Study, with related recommendations expected in the final report upon completion of Phase Two.
T.4.1	Establish a Bike to Work Week	Near	Complete	The City participates yearly in the Commuter Challenge, a week long national event aimed at encouraging commuters to explore alternatives to the single occupancy vehicle. Since 2009, Bike to Work Regina a local non- profit organization, has organized a week-long event in May of each year.
T.4.2	Provide readily available secure bike parking, lockers and shower facilities	Medium	Ongoing	Current bylaws requires that 5% of the approved number of parking stalls in any development be bicycle stalls. All of the five major developments currently planned or under construction in the downtown meet these requirements. In addition to bicycle parking, plans for Hill Tower III include the provision of shower and change facilities. As part of the development of a suite of site furnishings for downtown, additional on-street bike racks will be added over the next few years.
T.4.3	Update the cycling network plan and	Near	Initiated	A Transportation Master Plan (TMP) for the City is being developed as part

	integrate it into the city-wide transportation plan			of the OCP process. The TMP, when complete, will address cycling infrastructure throughout Regina, including in the downtown. The need for improved cycling facilities has also been identified in Phase One of the Downtown Transportation Study, with related recommendations expected in the final report.
Т.5	Prioritize and enable the efficient operation of public transit	Near	Ongoing	The rerouting of transit through the downtown was studied and ultimately implemented in the spring of 2010. Virtually all routes now serve City Hall / the Regina Public Library, and destinations along 11 th Avenue including the Cornwall Centre and Service Canada, representing a significant service improvement for riders. Vehicle flow through the downtown, however, has remained a challenge. Staff will be monitoring the impacts of reopening of 12 th Avenue through the City Square plaza, and making adjustments to transit service as necessary. Reconstruction of the 1800 blocks of Lorne and Smith Streets began in 2012. Reconstruction of these blocks is required, due to the routing of transit between 11 th and 12 th Avenues on the 1800 blocks of Lorne and Smith. Improvements in transit times <u>to</u> the downtown are not expected until the routing recommendations of the Transit Investment Plan are implemented. The need for improvements and modifications to public transit to, from and within the Downtown has also been identified in the Downtown Transportation Study and the TMP, with related recommendations anticipated from both projects.
T.6	Conduct a Comprehensive Parking Study of Downtown	Immediate	Initiated	An RFP will be issued in early September to conduct a review of parking services at the City and develop a downtown and vicinity parking strategy. The strategy will identify policies, practices and technology that will influence and/or address supply and demand issues. Recommendations for implementation will be identified late in second quarter, 2013.

