

Staff Report

Report To: City Council
Report From: Pamela Coulter, Director of Community Services
Meeting Date: July 24, 2023
Report Code: CS-23-079
Subject: Downtown River Precinct Phase 2 – Revised Project Scope and Budget Estimate

Recommendations:

THAT in consideration of Staff Report CS-23-079 respecting Downtown River Precinct Phase 2 – Revised Project Scope and Budget Estimate, City Council approves capital budget project 22C.2 (Attachment 1) with an amended budget of \$2,010,000 with the additional \$134,000 to be allocated from the Kerr Reserve, Red Reserve and Land Sale Reserve.

Highlights:

- The Downtown River Precinct Plan was developed in 2012 as part of a broad public consultation. The Environmental Assessment for the overall project was completed in 2018.
- Investment in placemaking, particularly in downtown areas of communities, has a significant positive impact on making places livable and accessible. Phase 1 implementation in the 800 block of 1st Avenue East has set a positive direction for implementing the plan.
- The Downtown River Precinct Phase 2 project was previously tendered in July 2022 but was not awarded due to project pricing.
- The project scope has been modified to reduce the additional funding required to allow the project to move forward.
- The estimated savings based on the modified scope is expected to result in a \$900,000 reduction in costs. Additional funds of

\$134,000 from the previously approved budget amount are requested.

Strategic Plan Alignment:

[Strategic Plan](#) Priority: City Building - KR1- Phase 2 of Downtown River Precinct 100% complete by December 2022

Previous Report/Authority:

[OP-18-032 Downtown River Precinct – MCEA – Recommendation of Preferred Alternatives](#)

Capital Budget 22.C.2

[CR-23-029 Award of RFT-23-001 – Downtown River Precinct Phase 2](#)

[R-230313-007 Resolution of Council from March 13, 2023](#)

Background:

In 2000, the City approved a master plan framework for the entire downtown area of the City. This master plan study and the execution of the phases completed to date (the “Big Dig”) have set a positive direction and climate for redevelopment in the downtown. The plan states: *‘Communities prosper when places are livable, and people enjoy being there’*.

One of the key master plan strategies is to *“strengthen the image and identity of Owen Sound’s Harbour and Downtown”*. This includes a phased implementation of improvements to the physical environment based on clear master plan design criteria and a new approach to marketing to build on and reinforce downtown themes. Over several years, many phases of the “Big Dig” have been implemented on a block-by-block basis beginning in the early 2000s.

Streets are one of the most important public spaces and how we plan for them has a significant impact on the urban environment. This is particularly true in downtowns where we work to create a welcoming and safe environment for all people.

“If you plan cities for cars and traffic, you get cars and traffic. If you plan for people and places, you get people and places” (Kent, Project for Public

Spaces). "When streets are great places, they encourage people to socialize and to experience the culture and character of a particular street" (A. MacKenzie, 2015).

With this type of thinking in mind in August 2012, Northwood Associates Landscape Architects were retained to prepare a conceptual and schematic design plan for the Downtown River Precinct area.

The project goals were:

- To improve the character and perception of the project area;
- To make it an inviting, accessible, and inclusive public space, strengthening the image and identity of the downtown; and
- To embrace and highlight the natural environment of the Sydenham River.

At its meeting on January 28, 2013, Council approved the conceptual design.

The Downtown River Precinct is a 4-block area, from 8th to 10th Streets on both sides of the Sydenham River. The first phase of the plan was implemented in 2019 with construction in the 800 block of 1st Avenue East. The impact of this redevelopment has had actual and positive results, and the design and implementation of Phase 2 will build on the momentum and success of the first phase. The space has become an area where people want to be, where people feel safe, the natural environment of the river is highlighted, and the space has an evolving new identity.

Since the 2012 concept, the River District Action Plan re-confirmed the need for this placemaking project:

Residents' current views of Owen Sounds downtown indicated that they had positive associations when asked to describe the area's atmosphere and personality. They used language such as "friendly, artistic, eclectic, beautiful, quaint, charming, historical, and that the area is full of potential. There was a notable shift to a combination of responses (both positive and negative) when residents were asked to describe the current state of the area. Frequent adjectives such as "vacant, scary, unclean, in need" were contrasted alongside "potential, beautiful, charming, small town."

(Excerpt from River District Action Plan)

Based on the Citizen Satisfaction Survey, we understand that investment in downtown revitalization has a higher impact on overall citizen satisfaction.

The second phase is the 900 Block of 1st Avenue East. This is a narrow 12.2 m (40 ft) right-of-way and former rail corridor that has been neglected and has the greatest opportunity for transformation and investment by the businesses in the River District as a result of implementation. Illustrations of the concept plan are included in Attachment 2.

The 900 block is complicated by the river lots which were subject to a crown patent dating to 1897. These lots have now been transferred back to the adjacent owners on 2nd Avenue East. From the time of the initial project budget estimate, Council had given direction that the river lots be included in the design area. This allowed the addition of the boardwalk along the river, which is critical in highlighting the natural environment and ensuring accessibility.

The planning and implementation for Phase 2 has coincided with the impact of the global pandemic in terms of supply chain and availability of materials, workforce, and inflation.

Council had approved a budget in 2022 for the project. In July 2022, a Tender RFT-22-026 was issued for the work in the 900 block. When the tender closed, the project was over budget, and only one bid was received.

A decision was made to re-tender early in 2023, anticipating more than one bid and more competitive pricing with a tender early in the year. Prior to re-tendering in early 2023, the design was modified in an attempt to reduce the budget to ensure that the tender would be aligned with the budgeted project amount. The changes were balanced with maintaining the integrity of the design and ensuring that the project goals would still be achievable.

The Tender (RFT-23-001) was issued early in 2023 to optimize timing and competitive pricing. Two bids were received, with the lowest compliant bid, \$951,325, over the approved project budget.

Council did not award the tender in March and provided the following direction:

R-230313-007

Moved by Councillor Dodd

“THAT in consideration of Staff Report CR-23-029 respecting Award of RFT-23-001, Downtown River Precinct Phase 2, City Council directs staff to:

- 1. Keep the Downtown River Precinct Phase 2 project in the multi-year capital plan; and**
- 2. Bring the project scope forward for review at a future budget meeting.”**

Carried.

Analysis:

Since the March Council meeting, staff revisited the project’s design to develop a plan that would be more aligned with budget at the same time, balancing the key elements of the design with respect to the project goals. This was an important consideration as the broader public consultation as well as the consultation with the property owners and negotiations respecting the river lots, had anticipated certain key elements.

The updated design retains a continuous boardwalk connection along the west side of the street at the top of the riverbank, allowing it to be an integral portion of the River Precinct promenade (with associated lookout areas), supporting accessibility. Highlights of the revised scope include:

- Slightly narrower ‘boardwalk’ at the north end will be concrete on terra-firma and will transition to a timber boardwalk on piles (as designed) at the south end (this is anticipated to reduce the boardwalk costs by 61%);
- Removes all planting along the boardwalk (this can be completed out of project scope by City staff);
- Maintains the armour stone edge as a separation between the boardwalk and parking (provides a seating wall for the boardwalk as well as a safety barricade);
- Reduces gateway columns/floodlights to 1 at each end of the street (2 total) placed on the right-hand side of the laneway;

- Removes the catenary light canopy, cable supports, catenary poles, luminaire attachment arm, GFI outlet and luminaires, and footings for this lighting;
- Removes the hydro bury, electrical conduit and handholes; and
- Adds traditional light standards, luminaries, and footings with typical banner arms.

Staff and the landscape architect agree that the modified scope retains the intent of the design and will achieve the desired outcomes at a cost closer to what was budgeted in 2022. An illustration of the revised concept is included as attachment 3. These revisions represent an estimated construction cost savings of \$900,000.

Financial Implications:

The approved budget for 2022 was \$1,876,000.

\$900,000 of costs have been removed from the project based on the updated design.

Utilizing 2023 construction pricing, the project construction cost has been re-calculated at \$1,552,000. Additionally, there are costs relating to engineering/design as well as a contingency allowance for a total budget requirement of \$2,010,000.

The following chart outlines the approved budget (including sources of funding) as well as the updated budget estimate with identified potential funding sources:

Funding Source	2022 Approved Budget	Estimated 2024 Budget based on the Revised Scope	Amount to be Considered by Council
Tax Supported capital	\$676,000	\$676,000	
OCIF	\$1,100,000	\$1,107,000	\$7,000
Enabling Accessibility Fund Grant	\$100,000	\$100,000	

Funding Source	2022 Approved Budget	Estimated 2024 Budget based on the Revised Scope	Amount to be Considered by Council
Red and Kerr Reserve			\$60,000
Land Sale Reserve			\$67,000
TOTAL	\$1,876,000	\$2,010,000 ¹	\$134,000

(Note 1: the 2024 estimated budget includes construction, engineering/ design and contingency).

There is no tax or capital budget impact of the proposed revised project budget. The additional funds requested (\$134,000) from reserves will be added to the 2022 previously approved funds. These reserves were not previously allocated to other projects. The Kerr Reserve was a bequest specifically identified for projects in the waterfront area. The DRP meets the intent of the bequest.

The proposed updated capital detail sheet is included as Attachment 1.

Communication Strategy:

In 2012, the original design was generated from several public visioning sessions. The 4-block design was part of a more extensive Environmental Assessment (EA) Process, including public consultation and Council approval.

The Phase 2 design has been presented at the Accessibility Advisory Committee and Operations Committee (December 2021). In addition, the EA process in 2018 included several public meetings, and the Phase 2 detailed design was presented at meetings with adjacent businesses and the River District Board of Management.

Project Oversight & Reporting

As this is a project of significance, Staff will provide oversight and communication of the progress on implementation on a monthly basis through the Operations Committee.

The quarterly updates on the capital budget will include all capital projects, including the DRP.

Consultation:

The City Manager, Envision Tatham, GM BluePlan, Director of Public Works and Engineering, Manager of Engineering Services, Engineering Technologist – Traffic and Construction, and Manager of Corporate Services were consulted in preparing this report.

Attachments:

1. Capital Detail Sheet 22C.2 – Downtown River Precinct Phase 2
2. Downtown River Precinct Phase 2 Illustration
3. Updated Concept Plan

Recommended by:

Pamela Coulter, Director of Community Services

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Pam Coulter, Director of Community Services at pcoulter@owensound.ca or 519-376-4440 ext. 1252.