



# City of Moose Jaw

## COMMUNICATION # CC-2019-0109

**TITLE:** Phase 1A Servicing for Southeast Industrial Park

**TO:** City Council

**FROM:** Engineering Services/Planning and Development Departments

**DATE:** July 11, 2019

**PUBLIC:** PUBLIC DOCUMENT

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### **RECOMMENDATION**

THAT City Council authorize the Engineering Department to proceed with procuring a qualified Contractor to perform the work required to expend the Clean Water and Wastewater Fund (CWWF) In the Southeast Industrial area for a cost of \$1,213,951 and that the source of funding be Capital Account LD-3 Southeast Industrial.

### **TOPIC AND PURPOSE**

The purpose of this report is to seek approval from City Council to proceed with construction to service phase 1A of the southeast industrial area. This construction will utilize the CWWF funding which requires that the project be completed by March 31, 2020.

### **BACKGROUND**

In October of 2018, the Engineering Department engaged Associated Engineering (Sask) Ltd. (AE) to complete expedited planning and design for an anchor tenant and the planning and conceptual design for all city-owned land within the proposed industrial park (755 acres).

The anchor tenant that was highlighted in the Request for Proposal (RFP) process was Canadian Protein Innovation Inc. (CPI). Due to CPI not meeting deadlines within their purchase agreement, the detailed design has been shifted to servicing of Phase 1A, which will partially service SaskPower's Combined Cycle Gas Power Plant. SaskPower is now being deemed as the anchor tenant for the Southeast Industrial Park. SaskPower's Offer to Purchase was approved by Council in December 2018. The concept plan for the Southeast Industrial Park was approved by Council in June 2018. This has allowed the City to proceed with design and servicing for SaskPower.

Agreements for the sale and servicing of the remainder of the City-owned land to Carpere Canada was approved by City Council on July 8, 2019.

Servicing and design of the Southeast Industrial area was carried from 2016 and was reduced by City Council in 2019 to \$1,478,657. This amount includes the CWWF funding of \$1,155,825 as well as the City's portion of the project amounting to \$322,832. \$297,900 of this funding is allocated towards the contract with Associated Engineering leaving \$1,213,951 to spend on the servicing of Phase 1A.

## **DISCUSSION**

The City of Moose Jaw was successful in qualifying for Greenfield Phase 1 Water and Sewer Infrastructure CWWF Provincial Government project funding of \$1,155,825 to assist in servicing the industrial park. This funding is intended to support water and sewer servicing. Communications with CWWF has confirmed that the City may not reallocate resources to make room in existing budgets to transfer this funding too. Therefore, the City's options are to:

- Complete Phase 1A of servicing
- Create, approve, and coordinate a new stream of applicable work which can be completed by March 2020
- Abort design and construction efforts and lose funding

The closing date for the CWWF is March 30, 2020, and no amendment will be granted to this date, as the program is closing.

By direction from Moose Jaw City Council, the servicing of the Industrial Park hinges on the sale of the land to an anchor tenant and a project moving forward. SaskPower was being considered as the anchor tenant after CPI defaulted on their purchase agreement.

The approximately \$1.2 million, which was intended to be spent to advance servicing for SaskPower, would have extended water and sewer towards the SaskPower site.

In the Offer to Purchase SaskPower committed to approximately \$6 million in infrastructure investment in the Southeast Industrial Park.

## **OPTIONS TO RECOMMENDATION**

- That City Administration does not expend the Clean Water and Wastewater Fund and lose the funding. This is not recommended because the infrastructure would be a direct benefit to Carpere Canada and future servicing of the industrial park.

## **FINANCIAL IMPLICATIONS**

- Remainder of the Provincial Government funding (\$910,463) will be lost by not proceeding with construction of Phase 1A.
- Remainder of the allocated capital funding (\$303,487) will not be spent by not proceeding with construction of Phase 1A.
- The total cost of servicing Phase 1A and SaskPower, if they proceed, would have to be paid for by Carpere Canada if the City does not proceed with construction.

## **PRESENTATION**

VERBAL: Mr. Josh Mickleborough, Director of Engineering, and Mr. Jim Dixon, Manager of Economic Development will be in attendance to present the report.

## **ATTACHMENTS**

- i. PHASE 1A Servicing Map – Associated Engineering (Sask) Ltd.

## **REPORT APPROVAL**

Written by: Bevan Harlton, Manager of Engineering Services  
Reviewed by: Michelle Sanson, Director of Planning and Development Services  
Josh Mickleborough, Director of Engineering Services  
Tracy Wittke, Assistant City Clerk  
Approved by: Jim Puffalt, City Manager  
Approved by: Fraser Tolmie, Mayor

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*To be completed by the Clerk's Department only.*

Presented to Regular Council or Executive Committee on \_\_\_\_\_.

No. \_\_\_\_\_ Resolution No. \_\_\_\_\_