

# Palisades Owner's Group

## 167 Avenue Construction

### Recommendation:

That a cost-sharing agreement with the Palisades Owner's Group for the construction of 167 Avenue arterial roadway between 142 Street and 127 Street, as outlined in the March 22, 2011, Asset Management and Public Works Department report 2011PW9469, be approved.

### Report Summary

**The City proposes entering into a cost-sharing agreement with an owner's group to share the costs of constructing an arterial road in the Oxford and Albany neighbourhoods. The City's share of the road (\$2 million) exceeds Administration's delegated authority.**

### Report

The City is currently developing a portion of the Oxford Neighbourhood (Attachment 1). One of the requirements is to pay for and construct the 167 Avenue arterial roadway between 142 Street and 127 Street.

There are seven other developers in the Palisades Area who are poised to begin their respective residential developments. The City and these developers have formed the Palisades Owner's Group to facilitate the construction of the 167 Avenue arterial roadway and other necessary municipal improvements in a timely and cost efficient manner.

The Palisades Owner's Group have agreed to enter into a cost-sharing agreement for the construction of the 167 Avenue arterial roadway along with other necessary municipal improvements.

Administration is seeking Council's approval to enter into the cost-sharing agreement to enable Administration to begin its portion of the Oxford Neighbourhood development.

There are a number of benefits to participating in the cost-sharing agreement rather than proceeding independently. These benefits include the following:

- Construction will be completed by one contractor, as selected through a formal competitive tender, in one construction season.
- Choosing a single contractor will allow 167 Avenue to be constructed at a lower cost than if each owner only constructed their share of the project.
- The Palisades Owner's Group will be able to get the lots to the market in a more timely fashion.
- The City is technically the first owner to proceed with development, and as such would normally be required to front end the full cost of the construction. Under this arrangement, the City would only pay its proportionate share as the construction costs will be paid for in advance by the Palisades Owner's Group.
- Having one contractor on site provides reduced impact on traffic in the area.

The cost-sharing agreement shall be in a form that is acceptable to the Law Branch.

The total cost of the construction of 167 Avenue is approximately \$7 million. The City's share of this cost, based on its developable land area in the recovery basin, is approximately \$2 million.

### **Policy**

This initiative is consistent with City Policy 511, Land Development Policy

### **Corporate Outcomes**

- Ensure Edmonton's Financial Sustainability
- Transform Edmonton's Urban Form

### **Public Consultation**

Public consultation has taken place through the standard planning process for Area Structure Plan and Neighbourhood Structure Plan approvals, which includes a public notification, a public meeting and a public hearing for every amendment.

### **Budget/Financial Implications**

Development of the Oxford Neighbourhood is part of Capital Priorities Project 00-16-2003 Palisades (Oxford) Residential Lot Development. The \$2 million expenditure falls within the 2011 budget amount for this capital profile.

### **Justification of Recommendation**

Construction of the 167 Avenue arterial roadway between 142 Street and 127 Street will provide connections to the surrounding communities in north Edmonton at a reduced cost and lower disruption to traffic.

### **Attachments**

1. Site Plan

### **Others Reviewing this Report**

- R. Boutilier, General Manager, Transportation Department
- D. H. Edey, General Manager, Corporate Services Department
- R. G. Klassen, General Manager, Planning and Development Department
- L. Rosen, Chief Financial Officer and Treasurer