

Request for Decision City Council

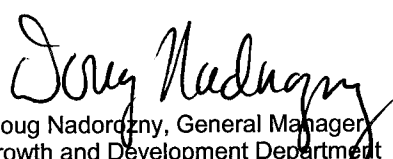


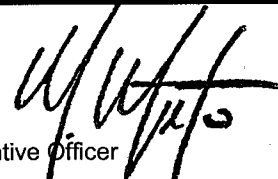
Type of Decision											
Meeting Date		July 12, 2006				Report Date		June 26, 2006			
Decision Requested		<input checked="" type="checkbox"/>	Yes		No	Priority		<input checked="" type="checkbox"/>	High		Low
		Direction Only				Type of Meeting		<input checked="" type="checkbox"/>	Open		Closed

Report Title
Walden Industrial Park Improvements

Policy Implication + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
<p>This recommendation provides \$570,000 in financial support, to re-surface 1100 metres of Magill Street (\$270,000) improve the drainage system (\$200,000) and main entrance(s) to the Park (\$100,000), leaving an uncommitted balance of \$714,000 in the Industrial Park Reserve Fund for future projects. Further, that a repayment of the \$270,000 commitment for the re-surfacing of 1100 metres of Magill Street be repaid by the annual capital roads budget in three annual instalments of \$90,000 in 2007, 2008 and 2009, leaving an uncommitted balance of \$984,000 after repayment.</p>	
	Background Attached

Recommendation
<p>Whereas, City Council recognizes their responsibility to maintain necessary infrastructure at the Walden Industrial Park,</p> <p>Therefore, be it resolved that the Council of the City of Greater Sudbury support necessary improvements to the Walden Industrial Park in the amount of \$570,000 and that this support be allocated out of the Industrial Park Reserve Fund.</p> <p>Further, that the \$270,000 to complete the road surface improvements to Magill Street be repaid by the annual capital roads budget in three annual installments to the Industrial Park Reserve Fund.</p>
Recommendation Continued

Recommended by the Department Head
 Doug Nadoczny, General Manager Growth and Development Department

Recommended by the C.A.O.
 Mark Mieto Chief Administrative Officer

Date: June 19, 2006

Report Prepared By

Helen Mulc
Manager, Business Development

Division Review

Doug Nadorozny
General Manager, Growth & Development

Executive Summary

The Walden Industrial Park, owned and managed by the City is in need of road and general maintenance upgrades. Developed in 1981, this industrial land is now host to over 45 mining supply and service companies that employ over 1200 individuals in Greater Sudbury. Over the past 25 years, the park's road and general infrastructure has experienced significant deterioration. Companies that are tenants within the Park have expressed their concern and have requested that the matter be addressed. As the stewards of the Walden Industrial Park, the City is being called upon to make necessary improvements to ensure its long term success.

The Walden Industrial Park requires improvements to the drainage system, entrance and to the road surface of Magill Street. The Walden Industrial Park is considered a prime location the of the mining and supply sector and as a result attracts buyers and visitors from around the world. Completing these improvements will demonstrate the City's commitment to this sector and as the landlord, illustrate it's leadership in the maintenance of the property.

The condition of Magill Street and the safety issues arising from it have become cause for concern. The current state of the road detracts from the appearance of all properties. The street is in need of repair and the IES department has committed to re-surface a portion (750 metres) of Magill Street as a result of a Ministry of Transportation "Move Ontario Fund" grant. There is an opportunity to re-surface the entire street (1825 metres) by utilizing the Regional Industrial Park Reserve Fund to provide a loan to the IES department for the balance of funds required. This additional road work of 1100 metres is estimated to cost \$270,000. This fund, should also be utilized for the required development of a park entrance, improvements to the drainage system and general property maintenance estimated to cost \$300,000.

Background

The City of Greater Sudbury owns industrial land in the following five areas:

- ▶ 31.41 acres in the Walden Industrial Park
- ▶ 14 acres in the Valley East Industrial Park
- ▶ 100 acres in Hanmer
- ▶ Capreol
- ▶ Greater Sudbury Airport

The Walden Industrial Park was built on land acquired from INCO in 1981. The costs associated with servicing the park were absorbed by senior levels of government. Those services included sewer, water, natural gas and hydro to 164 acres of land on both sides of Regional Road 55. Of that initial block of land, there is less than 15 acres remaining of unsold land.

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In 1996, the former Sudbury Regional Development Corporation considered the servicing of an additional 33 acres of land at the end of Mumford Road but did not proceed. Since then, parcels of land within this acreage has begun to sell with the purchasers of the property taking on the responsibility of servicing.

Since 2003, land sale and construction activity in the Walden Industrial Park has risen and local companies are moving into and/or expanding their operations within the park. All sale proceeds of such lands is deposited into the Regional Industrial Park Reserve Fund. Monies within this fund are intended to be used for general infrastructure improvements, maintenance, and expansion. The current balance within the fund is \$1.3 million.

International companies such as Atlas Copco and Sandvik Mining & Construction along with over 40 other mining supply and service companies employing over 1000 individuals consider the Walden Industrial Park their base of operations. Located off of a prime piece of the Trans Canada Highway, the park offers a strategic business location for access to customers and suppliers. However, over the past twenty-five (25) years, the infrastructure has deteriorated. Economic development staff have received numerous complaints from established companies within the park that point out the lack of an appropriate entrance and signage to the park, crumbling road infrastructure and issues with appropriate drainage. One such international company that recently hosted clients at their site have formally requested that improvements be made to the park at the earliest opportunity. Other companies within the park have echoed similar concerns regarding aging infrastructure and have requested that the City, as the landlord of the Park, implement the necessary infrastructure improvements.

As noted, the IES department has slated approximately 750 metres of Magill to be re-surfaced in July or August. The remainder of the street (1100 metres) was to be considered for completion in the next 2-3 years. Economic Development staff requests that the Industrial Park Reserve Fund be utilized to facilitate the re-surfacing of the remaining 1100 metres of Magill Street in 2006. A loan in the amount of \$270,000 to the IES department to be repaid in three annual installments would ensure that sufficient monies were made available the necessary improvements to the street while not placing undue financial pressure on the IES department. Loan repayment proceeds would be deposited back into the Industrial Park Reserve Fund.

In addition, the Walden Industrial Park requires improvements to the entrance accompanied by a sign that highlights the names of tenants within the park. All of the drainage ditches within the park require cleaning and re-shaping and the ditches along Mumford Road, Magill Street and Vagnini Street require re-sodding. The estimated cost of both activities is \$300,000. In co-operation with the IES department, these works could be tendered and completed within the 2006 fiscal year. The breakdown of the required work and costing is as follows:

Ditches and Drainage Improvements

There is a total of 6528 metres of ditching on both sides of Magill, Mumford and Vagnini Street, that require to be cleaned and re-shaped. In addition, there is an additional 750 metres of internal ditching that requires the same treatment. The internal ditches run from Magill Street to the railway tracks, Vagnini Court to the main ditch along Municipal Road 55 and from the north east property line of Sandvik Mining & Construction to Magill Street. This investment will address necessary improvements to the drainage system and the general appearance of the park. The estimated cost is \$200,000.

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Sign Design / Installation and Landscaping

Improvements to the entrances on Magill Street and Mumford Drive as well as sign design and installation are necessary to enhance appearance as well as to provide location direction of the existing businesses in the Park. The sign will be illuminated and list the names of all the businesses within in the Park. Both entrances will be landscaped which will include plantings and sod. Cost of signage and landscaping is estimated at \$100,000.

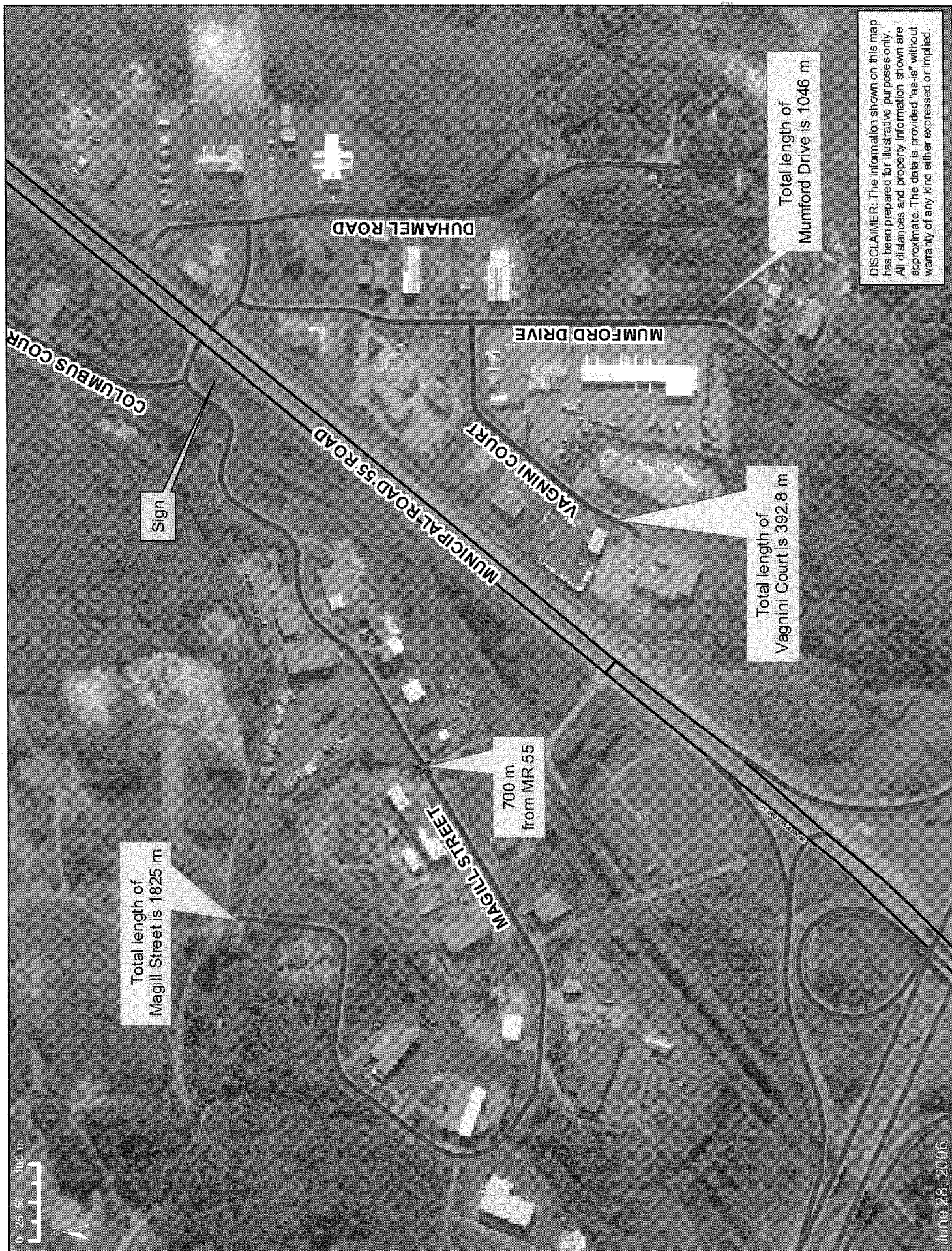
The attached map of the Walden Park outlines the proposed areas for improvement.

Summary

Both the Valley East and Walden Industrial Parks have experienced record sales activity over the past two years. It is the responsibility of the City of Greater Sudbury as the steward and landlord of these parks to ensure that the park(s) appearance and infrastructure is maintained and upgraded in an appropriate manner.

At this time, there are no other parks that require the level of improvement that the Walden Industrial Park requires. In 2004, the Valley East Park underwent lot clearing, landscaping and the installation of an entrance sign. Additional landscape requirements and entrance improvements in the Valley East Park are scheduled to be assessed in 2007.

All monies collected through sale of lands in the Walden Industrial Park have been placed into the Industrial Park Reserve Fund to be used for future maintenance and infrastructure requirements within City owned Industrial Parks. There is currently a balance of \$1,284,000 in the Regional Industrial Park Reserve Fund. It is being recommended that \$570,000 be withdrawn from this fund to pay for the road re-surfacing, drainage and entrance(s) improvements. This would leave an uncommitted balance in the Regional Industrial Park Reserve Fund in the amount of \$714,000 for future projects. Further, it is suggested that the \$270,000 dedicated to complete the balance of Magill Street be considered a loan to the IES department through the annual roads budget to be deposited back into the Regional Industrial Park Reserve Fund in three annual instalments to take place in 2007 through to 2009.



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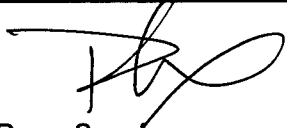
Type of Decision									
Meeting Date	July 12, 2006				Report Date	July 7, 2006			
Decision Requested	X	Yes		No	Priority	X	High		Low
	Direction Only				Type of Meeting	X	Open		Closed

Report Title
Purchase of Buses

Budget Impact / Policy Implication		Recommendation
X	This report has been reviewed by the Finance Division and the funding source has been identified.	
<p>Sufficient capital funding will be available to fund this purchase.</p>		<p>THAT six (6) buses required for 2007 be added to the current order with Nova Bus, A Division of Prevost Car Inc., as an extension of Contract GDD06-01;</p> <p>And that two (2) of the six (6) buses be suburban style.</p>
X	Background Attached	Recommendation Continued

Recommended by the Department	Recommended by the C.A.O.
 Doug Nadrozny General Manager of Growth & Development	 Mark Mieto Chief Administrative Officer

Date: July 7, 2006

Report Prepared By	Division Review
 Roger Sauvé Director of Transit	Name Title

Executive Summary

Due to the recent implementation of the U-Pass Program with Laurentian University and the Ridership Growth Strategy and Asset Management Plan, a recommendation is being brought forward to increase the current order placed with Nova Bus, A Division of Prevost Car Inc.

Background

The City of Greater Sudbury Transit Services currently has an order with Nova Bus, A Division of Prevost Car Inc., for seven (7) buses. Five (5) are 40 foot conventional transit buses and two have a suburban style interior. It is recommended that additional buses be placed onto the existing bus order. The buses that are to be added to that order are 2007 buses that are scheduled for replacement.

City of Greater Sudbury Transit's Asset Management Plan states that Transit should be replacing six (6) buses in 2007. If this order for buses is not placed until 2007, the buses will not be delivered until well into 2008 due to the number of transit properties that are purchasing new buses.

In order to move forward with ridership growth strategies as presented in the Transit Ridership Growth Plan, more buses are required as the U-Pass is going to take up the two (2) additional buses that have been ordered this year. There is no room, under present conditions, for new initiatives.

If the City of Greater Sudbury intends to commence new initiatives in the new year, it is necessary to place orders for these buses now. Further, even without new initiatives, ordering the 2007 buses now will ensure that we get them at the lower price and avoid being caught in the anticipated manufacturing backlog in 2007.

Through the current contract with Nova Bus, A Division of Prevost Car Inc., the City of Greater Sudbury has an excellent price. The average price in Ontario for a bus is \$450,000 (according to CUTA), and the present contract price from Nova Bus is well under \$400,000.

Nova Bus, a Division of Prevost Car Inc., has guaranteed their price as follows:

- 1 - Order placement within the next 30 days or earlier.

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- 2 - Purchase price extended to Sudbury Transit for 2007 delivery will use 2006 purchase price (last contract) for a base price, plus a CPI of 1.5%, plus a charge of \$8,000 per bus for the new 2007 Cummins "green" engine. The sum of these amounts will provide us with our 2007 purchase price.
- 3 - Anticipated current best delivery times would be April 2007, however, as indicated this delivery could be later in 2007 if Nova's current outstanding tender commitments all materialize.

The funding formula is changing for replacement buses. The former Ontario Transit Vehicle Program (OTVP) is being replaced by a new Program in 2007, but will not include one-third funding for expansion of the fleet, only replacement.

It is, therefore, proposed that a statement be made to the Province that the current order with Nova Bus is all expansion buses. Discussions have already taken place with the Transit Committee and the Ministry of Transportation, and both the Transit Committee and the Ministry have agreed with this process because of the recent U-Pass implementation and because the current Greater Sudbury Transit spare ratio is small.