



THE CORPORATION OF THE CITY OF COURTENAY

## STAFF REPORT

---

**To:** Council  
**From:** City Manager (CAO)  
**Subject:** 17th St Corridor Improvements - Budget Reallocation

**File No.:** 5335-20  
**Date:** February 08, 2023

---

### PURPOSE:

The purpose of this staff report is to provide an update on the status of the 17<sup>th</sup> St Bike Lanes project, and to seek approval for a budget reallocation, by reallocating \$35,000 from prior year surplus, into the 17th St Corridor Improvements Capital project budget in 2022.

### EXECUTIVE SUMMARY:

The 17th Street Corridor Improvement project was recently constructed to help link the Rotary Trail, the 5<sup>th</sup> Street corridor, and the Fitzgerald bike lanes, increasing connectivity in Courtenay's cycling network. This included new sidewalks from Rotary Trail to Fitzgerald Avenue, and curb-protected cycle tracks from Rotary Trail to Fitzgerald Avenue, among other improvements.

Prior to construction, a grant application was made to the Canada Infrastructure Program - COVID-19 Resilience Infrastructure Stream, and the application was successful. As such, the grant funded 100% of estimated project costs for a total value of \$1,665,300.

Between design and construction tender, the construction market experienced a tremendous amount of cost escalation. This resulted in construction tender bids coming in higher than expected, leaving the project with less than 5% total project contingency.

Through the course of construction the project unfortunately went over budget. Total budget overage is approximately \$35,000, or 2% of total project budget and related to a series of small issues including design and construction in the field. It is proposed that \$35,000 be reallocated from prior year surplus, to fund this budget amendment.

### CITY MANAGER RECOMMENDATIONS:

THAT based on the February 08, 2023 staff report "17th St Corridor Improvements - Budget Reallocation" Council approve OPTION 1 and direct Staff to reallocate \$35,000 from the prior year surplus into the 17th St Corridor Improvements Capital project budget in 2022.

---

Geoff Garbutt, M.P.I., MCIP, RPP  
City Manager (CAO)

## **BACKGROUND:**

The 17th Street Corridor Improvement project was recently constructed to help link the Rotary Trail, the 5<sup>th</sup> Street corridor, and the Fitzgerald bike lanes, increasing connectivity in Courtenay's cycling network. With active travel options encouraging healthy lifestyles, the project was endorsed by School District No. 71, and benefits students, parents, and teachers traveling to Courtenay Elementary and connecting to other local pathways.

The 17<sup>th</sup> Street Corridor Improvement project included:

- new sidewalks from Rotary Trail to Fitzgerald Avenue
- shorter road crossing distances and new pedestrian-controlled flashing beacons
- on-street parking maintained
- curb-protected cycle tracks from Rotary Trail to Fitzgerald Avenue
- painted, parking-protected bike lanes from Willemar Avenue to Rotary Trail
- new trees planted on 17th Street at McPhee Avenue

Prior to construction, a grant application was made to the Canada Infrastructure Program - COVID-19 Resilience Infrastructure Stream, and the application was successful. As such, the grant funded 100% of estimated project costs for a total value of \$1,665,300.

## **DISCUSSION:**

Construction of the 17<sup>th</sup> Street Corridor Improvement project is now complete, with substantial completion being achieved on October 17<sup>th</sup>, 2022. A few minor concrete deficiencies remain, and these are planned to be addressed in the spring, once the weather is more conducive to the works.

The project was designed by Urban Systems Ltd., and grant application was completed in early 2021. The grant was awarded to the City in August of 2021. The project was tendered in early 2022, and awarded to Knappet Industries Ltd. on March 15<sup>th</sup> 2022.

Throughout design and grant application, industry standard methods were used to estimate costs, and allow for an appropriate amount of contingency. Unfortunately, during the timeframe from early 2021 when the project was designed, to 2022 when the construction tender was awarded, a tremendous amount of cost escalation and inflation took hold of the construction market. This resulted in construction tender bids coming in higher than expected, leaving the project with less than ideal contingency available. Total project contingency available at the time of award was less than 5%. Typically projects like this should have at least 10% contingency.

Through the course of construction, the project unfortunately went over budget by approximately \$35,000 which is approximately 2% of the total project budget. This overage was caused by many small factors that were unforeseen during design (minor conflicts between design and constructability) and is not a result of any single large issue. As outlined above, with the escalation of construction costs which occurred between design and tendering, there was not sufficient contingency to cover the overage.

See financial construction budget summary below:

Item	Contracted Amount	Actual Amount
Consultant Fees	\$123,590	\$128,815
Contractor Fees	\$1,467,460	\$1,567,640
Total	\$1,591,050	\$1,696,455
Budget	\$1,665,300	\$1,665,300
Contingency/Exceedance (\$)	\$74,250	-\$31,155
Contingency/Exceedance (%)	4.46%	-1.87%

**FINANCIAL IMPLICATIONS:**

It is proposed that \$35,000 be reallocated from prior year surplus, to fund this budget amendment.

**ADMINISTRATIVE IMPLICATIONS:**

The 17<sup>th</sup> St Corridor Improvements Project construction phase was led by Engineering Services, with support from other City Departments. Consultants with technical knowledge specific to this work have been utilized to develop and implement detailed designs and processes.

**ASSET MANAGEMENT IMPLICATIONS:**

The City of Courtenay practices advanced asset management principles and is recognised as a leader in the field. Within this context, the 17<sup>th</sup> St Corridor Improvements will be maintained under existing asset management programs.

**STRATEGIC PRIORITIES REFERENCE:**

As part of the Strategic Priorities for 2021 – 2022 the following are relevant to the 17<sup>th</sup> St Corridor Improvements project:

**We proactively plan and invest in our natural and built environment**

- Focus on asset management for sustainable service delivery
- ▲ Look for regional infrastructure solutions for shared services
- ▲ Advocate, collaborate and act to reduce air quality contaminants
- ▲ Support social, economic and environmental sustainability solutions

**We plan and invest in methods of multi-modal transportation**

- Move forward with implementing the City's Transportation Master Plan
- ▲■ Collaborate with regional and senior government partners to provide cost-effective transportation solutions

● **AREA OF CONTROL:** The policy, works and programming matters that fall within Council's jurisdictional authority to act

▲ **AREA OF INFLUENCE:** Matters that fall within shared or agreed jurisdiction between Council and another government or party

■ **AREA OF CONCERN:** Matters of interest that are outside Council's jurisdictional authority to act

**OFFICIAL COMMUNITY PLAN REFERENCE:**

The OCP sets out the following policies in Part C STREETS AND TRANSPORTATION:

ST 2 Ensure municipal transportation-related spending aligns with low-carbon and active transportation objectives.

ST 3 Support and participate in a regional approach to *multi-modal transportation planning*, delivery of infrastructure and services in accordance with this Plan.

ST 4 Ensure new or enhanced walking, cycling, and transit infrastructure opportunities are considered whenever undertaking road upgrades and Master Transportation, Cycling, and Transit Future Plans.

ST 5 Establish Safe Routes to School and Active School Travel planning programs with School District 71 to identify strategic

**REGIONAL GROWTH STRATEGY REFERENCE:**

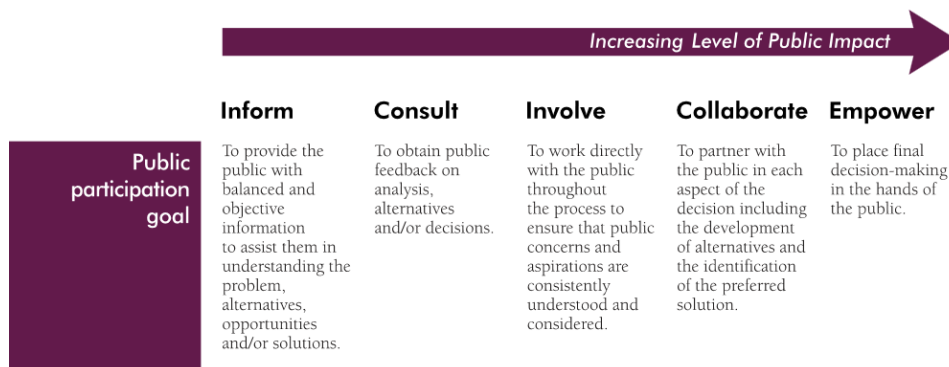
The 17<sup>th</sup> St Corridor Improvements project is aligned with “Goal 4: TRANSPORTATION” of the RGS:

**Supporting Policies:**

- 4B-1 Promote and encourage cycling plans and programs through ongoing local and regional initiatives and actions.
- 4B-4 OCPs should identify regionally important, priority street connections for pedestrian and cycling improvements and require that connections be established as a condition of redevelopment.

**CITIZEN/PUBLIC ENGAGEMENT:**

Throughout construction, staff have Informed the public based on the IAP2 Spectrum of Public Participation:



**OPTIONS:**

Option 1: THAT based on the February 08, 2023 staff report “**17th St Corridor Improvements - Budget Reallocation**” Council approve OPTION 1 and direct Staff to:

1. Reallocate \$35,000 from prior year surplus into the 17th St Corridor Improvements Capital project budget in 2022.

Option 2: Refer back to Staff for further review.

Prepared by,



Chris Davidson, P.Eng, PMP  
Director of Engineering Services

Reviewed by:



Adam Langenmaier, BBA, CPA, CA  
Director of Financial Services

Concurrence by,



Geoff Garbutt, M.Pl., MCIP, RPP  
City Manager (CAO)