Agenda – Council – September 24, 2014

Report – Standing Policy Committee on Property and Development – September 16, 2014

Item No. 19 Bishop Grandin Crossing - Hopewell Development Lime Mud Proposal - Brady Road Landfill Site (St. Norbert Ward)

STANDING COMMITTEE RECOMMENDATION:

On September 17, 2014, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the following to Council:

1. That a single source agreement between Hopewell Development (Manitoba) Inc. ("Hopewell") and the City of Winnipeg (the City) for the construction of a lime mud berm; constructed at the sole cost, effort and expense of Hopewell on City-owned property located at the Brady Road Resource Management Facility site in accordance with the proposed terms and conditions of the attached Schedule A, be approved.

2. That the Chief Administrative Officer be delegated the authority to negotiate and approve the terms and conditions of the agreement in accordance with the foregoing and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

3. That the Chief Administrative Officer be delegated the authority to issue such documents and enter into such agreements that may be required to facilitate the intent of this proposal, including, but not limited to, an Enter to Construct Agreement that will allow Hopewell to initiate relocation of lime mud material to the Brady site and construction of the berm starting in October 2014 subject to:

    A. The grant of releases and indemnities in favour of the City;
    B. Undertakings that Hopewell will, at its sole cost, effort and expense, return the Brady Road Resource Management Facility property to its original condition in the event the lime mud berm construction agreement is not entered into to the satisfaction of the Chief Administrative Officer;
    C. Hopewell meeting insurance requirements certified by the City's Corporate Risk Manager to be adequate to protect the City's interests;

Report - Standing Policy Committee on Property and Development – September 16, 2014

D. Prior to entry, Hopewell providing a letter of credit in the City's favour in an amount that is equal to or greater than the cost that would have to be incurred to return the Brady Road Resource Management Facility property to its pre-entry condition in the event that the lime mud berm construction agreement is not entered into to the satisfaction of the Chief Administrative Officer; and

E. Such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Property and Development – September 16, 2014

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 17, 2014, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On September 16, 2014, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **Bishop Grandin Crossing - Hopewell Development Lime Mud Proposal - Brady Road Landfill Site**

Critical Path: **Standing Policy Committee on Property and Development**
Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
G. Holmes	B. Thorgrimson	M. Ruta CFO	M. Jack A/CAO

RECOMMENDATIONS

1. That Council approve a single source agreement between Hopewell Development (Manitoba) Inc. ("Hopewell") and the City of Winnipeg (the City) for the construction of a lime mud berm; constructed at the sole cost, effort and expense of Hopewell on City-owned property located at the Brady Road Resource Management Facility site in accordance with the proposed terms and conditions of the attached Schedule A.

2. That the Chief Administrative Officer be delegated the authority to negotiate and approve the terms and conditions of the agreement in accordance with the foregoing and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

3. That the Chief Administrative Officer be delegated the authority to issue such documents and enter into such agreements that may be required to facilitate the intent of this proposal, including, but not limited to, an Enter to Construct Agreement that will allow Hopewell to initiate relocation of lime mud material to the Brady site and construction of the berm starting in October 2014 subject to:

    A. The grant of releases and indemnities in favour of the City;
    B. Undertakings that Hopewell will, at its sole cost, effort and expense, return the Brady Road Resource Management Facility property to its original condition in the event the lime mud berm construction agreement is not entered into to the satisfaction of the Chief Administrative Officer;
    C. Hopewell meeting insurance requirements certified by the City's Corporate Risk Manager to be adequate to protect the City's interests;
    D. Prior to entry, Hopewell providing a letter of credit in the City's favour in an amount that is equal to or greater than the cost that would have to be

incurred to return the Brady Road Resource Management Facility property to its pre-entry condition in the event that the lime mud berm construction agreement is not entered into to the satisfaction of the Chief Administrative Officer; and

E. Such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

4. That the Proper Officers of the City be authorized to do all things necessary to effect the intent of the foregoing.

REASON FOR THE REPORT

1. Council approval is required to enter into an agreement incorporating aspects of a servicing agreement and a single source construction contract utilizing lime mud material on City land.
2. Council approval is required for an agreement to "enter to construct" on City property.

IMPLICATIONS OF THE RECOMMENDATIONS

- Bishop Grandin Crossing is identified as a Major Redevelopment Site within the Council approved *Complete Communities Direction Strategy.* The strategy states that the City will promote development of these sites with a proactive and collaborative planning process.
- A significant impediment to the development of Bishop Grandin Crossing is a substantial quantity of lime mud material currently stockpiled as a result of the site's previous use as a sugar beet refinery. The estimated quantity of lime mud material on site based on LiDAR analysis is approximately 500,000 m^3.
- Due to the consistency of lime mud material, there is a limited seasonal window for berm construction which doesn't allow for construction during the winter months.

HISTORY / DISCUSSION

History

In 2007, Hopewell submitted an application for subdivision to provide vehicular access to the former Sugar Beets plant site, and rezoning (DASZ 6/07) from an "A" Agricultural zoning district to an "M2" Industrial zoning district (under the previous Zoning By-law). The intent was to provide for uniform zoning of the site and facilitate development of a major employment and service node.

On July 20, 2011, Council adopted the *Complete Communities Direction Strategy* By-law 68/2010 which designated the Sugar Beets lands as a Major Redevelopment Site.

On May 27, 2014, Council endorsed the Bishop Grandin Area Master Plan (SP 1/2014) as presented and approved subdivision, rezoning and Planned Development Overlay (DASZ 3/2014), short form subdivision for the Hydro lands consolidation (DASSF 515/2014) and road opening and closing (DAOC 1/2014).

Discussion:

As identified in previous reports to Council, the site is currently vacant with the exception of significant stockpiles of lime mud residue remaining from the previous sugar refining process. While there are beneficial uses for this material, as a soil amendment for instance, the extremely large quantity and type of the material stockpiled at this site has prohibited any large scale utilization of this material and the site in the thirty-plus years of the stockpile's existence. Similar to topsoil, this material must be removed from the native earth prior to servicing and construction as part of the site preparation process.

Manitoba Conservation and Water Stewardship has designated the 555 Hervo Street property which is part of the Sugar Beet Major Redevelopment Site as an impacted site under Section 7.1(1) of The Contaminated Sites Remediation Act and has authorized Hopewell to proceed with the remediation of the 555 Hervo Street site as described in the Remediation Plan prepared by AMEC Environment & Infrastructure on March 20, 2014.

In October 2013, Hopewell contacted the City to obtain a cost estimate for the disposal of the lime mud material that cannot be used in the Bishop Grandin Crossing development in its current form for disposal in the regular landfill disposal cells. As this material in not a suitable soil cover, the material would incur the regular tipping fee charge for disposal, which was estimated at $44M for approximately 400,000 m^3, excluding transportation costs. This additional cost would prove prohibitive to the Bishop Grandin Crossing Development project.

Hopewell investigated multiple options for potential reuse of the material including agricultural purposes and flood prevention. In its raw form, the sugar beet residual or lime mud is an acceptable fertilizer for use in mushroom farming. This option however was not viable given the quantity of lime mud material. Flood prevention was also pursued as an option in the construction of dykes and proved cost prohibitive.

In an effort to exercise responsible environmental stewardship and address the disposal of the lime mud material in a more cost effective manner, Hopewell submitted a proposal to the City relocate and re-use the lime mud in berm construction as landscape features on and off-site subject to various conditions being imposed by the City and authorization from Manitoba Conservation and Water Stewardship attached as Schedule B, and which makes reference to the provision in the Remediation Plan which states:

"● Approximately 300,000 m^3 of the remainder of the stockpiled lime mud will be sent to the Brady Road Landfill to be utilized as sight line restriction berms around the perimeter of the property."

Hopewell would be responsible to transport the lime mud and construct the berm at its sole cost, effort and expense. The benefit to the City in accepting this proposal would

result in excavation and stockpiling of native earth at the Brady Landfill site at no cost and ready for use in capping future phases of the landfill.

The original proposal submitted to the City in 2013 considered two City-owned relocation sites, one at the Brady Road Resource Management Facility under the jurisdiction of the Water & Waste Department and a second site adjacent to and between the Bishop Grandin public right of way and Lot 16 Drain under the jurisdiction of the Public Works Department.

In July 2014, Hopewell submitted a revised proposal that requested consideration of the Brady Road Landfill Site as the primary site for relocation and re-use of the lime mud in the form of berm construction as a landscape feature. The Water & Waste Department advised that a berm on the future area of the site does not interfere with current disposal and diversion operations and does not inhibit the future development of the site north of Des Trappistes Street. The surplus clay material excavated for the berm will be stockpiled for use as landfill cover which will save the City the cost of excavating material to cover the existing and future landfill disposal cells. The berm also serves to improve the aesthetic visual sight line from the private golf course located southeast of the Brady Road Site. The Water & Waste Department recommends support for the proposal subject to various conditions incorporated into the proposed terms and conditions of agreement attached as Schedule A and Manitoba Conservation and Water Stewardship authorization.

Due to the consistency of lime mud material, there is an optimal seasonal window during the fall and early winter for its relocation. In addition, Hopewell is planning on the commencement of servicing the initial phase of the residential lands in 2015 and the lime mud must be cleared from at least a portion of the Bishop Grandin Crossing site for this to occur. For this reason, Hopewell is requesting approval to commence relocation to the Brady Landfill site in the fall of 2014 pursuant to an Enter to Construct agreement while the Lime Mud Berm Construction Agreement is negotiated and finalized.

The Public Works Department advised of their support for the amended proposal excluding the City-owned property under Public Works jurisdiction and adjacent to the Lot 16 Drain.

FINANCIAL IMPACT

Financial Impact Statemen **Date:** August 28, 2014

Project Name:

Bishop Grandin Crossing - Hopewell Development
Lime Mud Proposal - Brady Road Landfill Site

COMMENTS:

The Developer shall bear all costs, efforts and expenses associated with the relocation, construction, maintenance or repair of the berm on Subject Property. The Developer shall be responsible for all license fees, permit and other fees in respect to the transportation, relocation, construction, maintenance or repair resulting from the construction of the berm. There are no financial implications associated with the recommendations.

"Original Signed By"
Mike McGinn, CA
Manager of Finance

CONSULTATION

In preparing this report there was consultation with:

Water & Waste Department
Public Works Department
Legal Services Department (as to legal issues)
Corporate Services – Materials Management and Insurance Branch

SUBMITTED BY

Department:	Planning, Property and Development
Division	Economic Development
Prepared by:	Sara Cianflone, Economic Development Administrator
Date:	August 21, 2014

Schedule A – Proposed Terms and Conditions to Construct a Berm Utilizing Lime Mud on City Owned Property at Brady Road Landfill Site



Schedule A Proposed Terms and Conditions

Schedule B – Letter from Manitoba Conservation and Water Stewardship



Schedule B.PDF