



STAFF REPORT

Title: 2024 Capital Budget Amendment - 12th Avenue Subdivision Cleanup

Meeting Date: September 10, 2024

Executive Summary:

Subdivision development on 12th avenue was originally initiated in 2015. Following abandonment of the construction site, the developer was noted in default and forfeited its securities. The securities are currently held by the City and restricted to be used to complete work under the defaulted Development Agreement.

Administration recommends that Council amend the 2024 Capital Budget to fund the 12th avenue Subdivision Cleanup in the amount of \$420,430 from the restricted funds.

Background:

On September 3, 2015, the City of Cold Lake entered into a Development Agreement for the development of a subdivision on 12th avenue. Securities in the amount of \$479,800.45 were provided as a requirement of the Development Agreement. Sometime after development commenced, the developer abandoned the project, leaving the subdivision in a state of incomplete development. A lengthy legal process ensued, and the property is currently listed for sale through Civil Enforcement.

Due to the incomplete work under the Development Agreement, in 2023 the City issued a Notice of Default and drew upon the securities. The securities can only be used for the purpose of completing work within the scope of the outstanding construction and deficiencies. As of today's date, \$59,369.59 portion of the securities has been utilized primarily to undertake an engineering assessment to identify the state of the development and extent of work required to bring the development to completion.

The total cost to complete outstanding construction and deficiencies as assessed through the 12th Avenue Subdivision Condition Assessment study is estimated at \$1,181,308.

Administration recommends that the remaining securities (in the amount of \$420,430) be utilized to undertake development deficiencies on the 12th avenue subdivision. It is anticipated that with site grading work (Earthworks, Landscaping, Debris removal, and Rock removal) estimated at \$258,000 and partial Engineering Services (Detailed Design, Construction Management, Survey and Layout, Post Construction Management, Plan Registration) estimated at \$131,000, and a contingency of \$31,430 the remaining securities (\$420,430) may fully utilize the funds held by the City.



Alternatives:

Council may:

- Amend the 2024 Capital Budget from \$17,625,000 to \$18,045,430 to fund \$420,430 for 12th Avenue Subdivision Cleanup, to be funded from restricted funds.
- Not amend the 2024 Capital Budget from \$17,625,000 to \$18,045,430 to fund \$420,430 for 12th Avenue Subdivision Cleanup, to be funded from restricted funds.

Recommended Action:

That Council amend the 2024 Capital Budget from \$17,625,000 to \$18,045,430 to fund \$420,430 for the 12th Avenue Subdivision Cleanup, to be funded from restricted funds associated with the securities.

Budget Implications (Yes or No):

Yes

Submitted by:

Kevin Nagoya, Chief Administrative Officer