



## STAFF REPORT

### Board Meeting

**MEETING DATE:** March 3, 2022

**REPORT:** B.3.2 Gateway Project Update

**AUTHOR:** Jennifer Bisley, Executive Director

#### A. Recommendation

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THAT The Blue Mountains Attainable Housing Corporation receive Item B.3.2 Gateway Project Update for information.

AND THAT The Blue Mountains Attainable Housing Corporation award the contract for the Phase Two Environmental Site Assessment to McIntosh Perry in the amount of \$18,800 plus HST.

#### B. Background

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The Gateway Project is the Blue Mountains Attainable Housing Corporation's (BMAHC) first housing development at 171 King Street East and is currently in the pre-construction phase. SHS Consulting is the development consultant on the project. Information and recent project updates can be found on the [Gateway Attainable Housing Project](#) webpage.

#### C. Updates

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##### Planning

The Phase One Environmental Site Assessment has been completed subject to minor edits. A Phase Two Environmental Site Assessment is recommended to investigate Potentially Contaminating Activities (PCAs) on the site and surrounding area that represent areas of potential concern. The PCAs identified are:

- Imported fill material of unknown quality across the site
- Boron exceedance in groundwater
- Location of liquid filled pad-mounted transformer on the east side of the Site
- Excess soil from crushed foundation concrete
- Former service station with reportedly decommissioned underground storage tanks (UST) at 199 King Street East
- Wastewater treatment plant located south of the Site (upgradient).

The purpose of the Phase Two Environmental Site Assessment would be to confirm the presence or absence of any suspected soil or groundwater contamination through a subsurface investigation (borehole drilling, monitoring well installation, and sampling) and laboratory testing.

McIntosh Perry submitted a Phase Two Environmental Site Assessment scope of work proposal at a cost of \$18,800 plus HST. SHS Consulting has advised that the cost is within the expected range of \$15-\$20,000. McIntosh Perry was awarded the Phase One Environment Site Assessment contract using a Request for Quotation procurement with a cost of \$4,800 plus HST.

A single source procurement is recommended given the proponents experience with the project, the reasonableness of price, and timeframe that would see the work completed within seven (7) weeks. See section 1.H.2 of the [Purchasing and Development Policy](#) for more information on the single sourcing procurement method.

### **Financial Model**

The Attainable Rents must be no more than 80% of CMHC Median Market Rent (MMR) to meet the requirements of the CMHC Co-Investment Fund. Due to the lack of CMHC rental data for The Blue Mountains, an adjusted Collingwood MMR is being used. The recently released 2021 CMHC rental market statistics reported an increase of 8.5% to the one-bedroom MMR and a decrease of 1.9% to the two-bedroom MMR in Collingwood from the prior year. As the decrease seems to be an anomaly for the local area, management is looking at options with CMHC to mitigate the potential impact on revenues in the financial model.

### **D. Financial Impact**

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The total cost of the Phase One and Phase Two Environmental Site Assessments is \$23,600 compared to the \$9,975 budgeted. The difference of \$13,625 can be absorbed by the \$20,000 budget for Other Site Studies or the soft cost contingency amount.