

Subject: Third-Party Infrastructure Agreement Report – Design and Construction of the Legget Drive Local Watermain

File Number: ACS2025-SI-ED-0006

**Report to Environment and Climate Change Committee on 18 March 2025
and Council 26 March 2025**

Submitted on February 27, 2025 by Susan Johns, Director, Asset Management Services

Contact Person:

**Susan Johns, Director, Asset Management Services
& Krishon Walker, Planner II, Economic Development Services**

Susan.Johns@ottawa.ca and Krishon.Walker@ottawa.ca

Ward: Kanata North (4)

**Objet : Rapport portant sur l'entente de tiers sur l'infrastructure –
Conception et construction de la conduite d'eau principale locale de
la promenade Legget**

Dossier : ACS2025-SI-ED-0006

**Rapport au Comité de l'environnement et du changement climatique
le 18 mars 2025**

et au Conseil le 26 mars 2025

Soumis le 27 février 2025 par Susan Johns, directrice, Services de gestion des actifs

**Personne-ressource : Susan Johns, directrice, Services de gestion des actifs
et Krishon Walker, urbaniste II, Services de développement économique**

Susan.Johns@ottawa.ca and Krishon.Walker@ottawa.ca

Quartier : Kanata Nord (4)

REPORT RECOMMENDATION(S)

That Environment and Climate Change Committee recommend that Council:

- 1. Authorize the City and delegate authority to the General Manager, Infrastructure and Water Services Department, to enter into a Third-Party Infrastructure Agreement with Nokia Canada Inc. for the design and construction of the local watermain along Legget Drive to an upset limit of \$2,500,000.00 plus applicable taxes, in accordance with the Principles for Agreement set forth in Document 1 and with the final form and content being to the satisfaction of the City Solicitor; and**
- 2. Authorize the financial disbursement to reimburse the design and construction costs incurred by Nokia Canada Inc. pursuant to the to Third-Party Infrastructure Agreement, a maximum amount of \$2,500,000.00 plus applicable taxes for the local watermain along Legget Drive, and in accordance with the reimbursement schedule set out in the Third-Party Infrastructure Agreement.**

RECOMMANDATION(S) DU RAPPORT

Que le Comité de l'environnement et du changement climatique recommande au Conseil municipal :

- 1. D'autoriser la Ville à conclure une entente de tiers sur l'infrastructure avec Nokia Canada Inc., et déléguer le pouvoir à cette fin à la directrice générale des Services d'infrastructure et d'eau, en vue de procéder à la conception et à la construction de la conduite d'eau principale locale longeant la promenade Legget, jusqu'à concurrence de 2 500 000 \$, taxes applicables en sus, conformément aux principes d'entente énoncés dans le document 1, et dont la forme et le contenu définitifs seront à la satisfaction de l'avocat général; et**
- 2. D'autoriser le décaissement nécessaire au remboursement des coûts de conception et de construction engagés par Nokia Canada Inc., conformément à l'entente de tiers sur l'infrastructure, jusqu'à concurrence de 2 500 000 \$, taxes applicables en sus, visant la conduite d'eau principale locale longeant la promenade Legget et conformément au calendrier de remboursement fixé dans l'entente de tiers sur l'infrastructure.**

BACKGROUND

The proposed local watermain along Legget Drive is located in the Kanata North Economic District in the City of Ottawa. It is being reviewed as part of a Site Plan Control application (File No. D07-12-24-0149) to support the development of a 55,110-square-metre mixed-use campus, which includes a new office and research and development building.

As part of the approval conditions, the developer, Nokia Canada Inc., will be required to enter into a third-party infrastructure agreement to design and construct the local watermain. If approved by Council, Nokia Canada Inc. would be responsible for its design and construction, while the City would assume responsibility for ongoing operations and maintenance once the work is completed and accepted to the satisfaction of the General Manager of the Infrastructure and Water Services Department.

Currently, there is no existing water infrastructure along March Road near the proposed local watermain. The only available infrastructure in the area is a 610mm C-301 concrete pressure pipe along Legget Drive. The proposed local watermain is situated within the Kanata North Economic District, a globally recognized technology innovation hub that significantly contributes to both the Canadian and Ottawa economies. The district is envisioned to support high-density development, offering diverse housing options and a vibrant, well-defined mixed-use core along March Road and Legget Drive.

The estimated cost for the project is \$2,500,000.00, which includes construction, engineering design, project management, and contingency. Funding will be requested through the 2026 budget cycle.

DISCUSSION

In consultation with City staff, Nokia Canada Inc. has agreed to enter into a third-party infrastructure agreement with the City. This agreement will facilitate the design and construction of approximately 230 metres of local watermain along Legget Drive to service the proposed development and enhance local water service in the area.

Currently, there is no local watermain fronting the site – only a 600mm backbone watermain. Backbone watermains serve as the primary water supply for large populations and are designed to move significant volumes of water within the system. As outline in the City's Water Design Guidelines, connecting water services to backbone

watermains is generally not permitted and is only considered on a case-by-case basis when a local watermain is not available. This restriction exists because such connections increase the likelihood that a backbone watermain will need to be isolated, which can compromise the redundancy and resiliency of the City's water distribution system. Additionally, connecting services to backbone watermains limits the City's ability to isolate these mains for condition inspections and increases the risk that they will need to be shut down for repairs in the event of a service failure.

In contrast, local distribution watermains are smaller in diameter and supply water exclusively to adjacent properties. These mains can be isolated more easily with minimal impact on overall service delivery. Given these considerations, the proposed development required the construction of a local watermain within the right-of-way on Legget Drive fronting the site.

Upon completion of the proposed works and fulfillment of the third-party infrastructure agreement conditions, the full repayment of the cost of the works, subject to approval, is to occur once the work has been accepted to satisfaction of the General Manager of the Infrastructure and Water Services Department. In accordance with the City of Ottawa's Water By-law (By-law No. 2019-74), the developer is required to pay a connection fee in order to connect to the new local watermain.

FINANCIAL IMPLICATIONS

Repayments are subject to fulfillment of the Third-Party Infrastructure Agreement conditions and will be based on the actual values of the costs incurred, to the upset limit. Should the actual costs exceed the upset limit, the additional costs shall be borne by the developer and the City shall not be obligated to compensate for additional costs.

Pending Council approval for the City to enter into the Third-Party Infrastructure Agreement, budget authority of \$2,544,000 will be included in the 2026 Rate Operating and Capital Budget. Upon completion of work and fulfillment of the Third-Party Infrastructure Agreement conditions, repayment can occur any time after January 1, 2026.

LEGAL IMPLICATIONS

There are no legal impediments to the adoption of the recommendations in this report and the City entering into the Third Party Infrastructure agreement.

COMMENTS BY THE WARD COUNCILLOR(S)

Councillor Cathy Curry is aware of the report recommendations and expressed support for the project and appreciation for staff's efforts in recognizing economic development potential of the area.

ACCESSIBILITY IMPACTS

There are no accessibility implications associated with this report.

ASSET MANAGEMENT IMPLICATIONS

The recommendations documents in this report are consistent with the City's Comprehensive Asset Management (CAM) Program objectives. The implementation of the CAM Program enables the City to effectively manage existing and new infrastructure to maximize benefits, reduce risk, and provide safe and reliable levels of service to community users. This is done in a socially, culturally, environmentally and economically conscious manner.

The recommendations in this report are to ensure this area along Legget Drive is developed following the City's Water Design Guidelines and best practices. The installation of the new local watermain will increase the reliability of the system and allow for future inspection and maintenance of the backbone watermain.

ECONOMIC IMPLICATIONS

The subject area is designated as the Kanata North Economic District on Schedule B5 – Suburban (West) Transect of the Official Plan. According to Section 6.6.3.2, the Kanata North Economic District is recognized as a globally significant technology innovation cluster and the largest research and innovation hub in Canada, making it a key contributor to both the national and Ottawa economies. While Kanata North has experienced sustained growth since its inception, maintaining its competitiveness requires addressing several planning challenges. Enhancing mobility options, promoting mixed-use development, and improving urban design are essential to elevating the quality of life for those who live, work, learn, and play in the area while strengthening its ability to attract and retain top talent. The proposed local watermain is an important step in implementing these policies, ensuring that the necessary infrastructure is in place to support the district's continued evolution and long-term success.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications associated with this report.

RURAL IMPLICATIONS

There are no rural implications associated with this report.

TERM OF COUNCIL PRIORITIES

The recommendations in this report align with the following 2023-2026 Term of Council Priorities:

- **A city that has affordable housing and is more livable for all** – By supporting infrastructure improvements, the project facilitates mixed-use development, contributing to a more vibrant and sustainable urban environment.
- **A city that is more connected with reliable, safe, and accessible mobility options** – The provision of essential services such as water infrastructure supports planned urban intensification, enhancing the viability of transit-oriented and pedestrian-friendly developments in the Kanata North Economic District.
- **A city that is green and resilient** – Ensuring access to modern and efficient water infrastructure strengthens the district's resilience by supporting sustainable growth and mitigating risks associated with outdated or insufficient services.
- **A city with a diversified and prosperous economy** – Kanata North is Canada's largest technology innovation hub, and this infrastructure investment supports its continued economic growth by enabling the expansion of businesses and research facilities.

SUPPORTING DOCUMENTATION

Document 1 Third-Party Infrastructure Agreement Principles

Document 2 Location Map

DISPOSITION

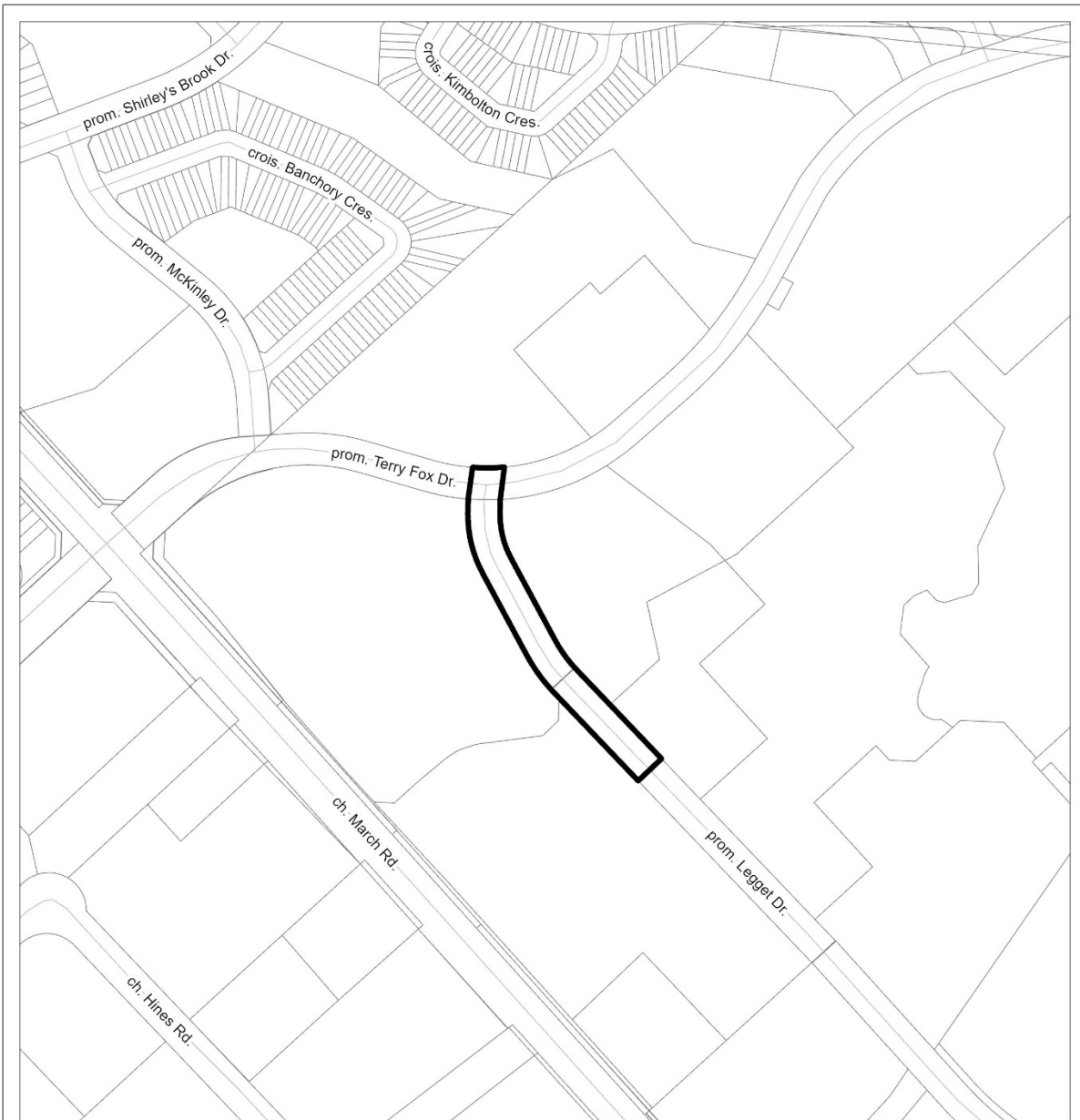
Legal Services to prepare the final form of the agreements in consultation with the Infrastructure and Water Services Department and Strategic Initiatives Department.


The Treasurer to earmark funds for repayment as noted in this report.

Document 1 – Principles for Agreement

1. Nokia Canada Inc. is required to post 100 per cent securities for the full cost of the local watermain along Legget Drive, estimated at \$2,500,000.00, including construction, engineering, project management and contingency costs plus applicable taxes.
2. The cost of the local watermain along Legget to be funded, including all associated works, is estimated at \$2,500,000.00 including construction, engineering, project management and contingency costs plus applicable taxes. All costs incurred shall be justified and include supporting invoices and payment certificates.
3. The City will reimburse Nokia Canada Inc. for the cost of the local watermain along Legget Drive once work has been completed and accepted by the City.


Document 2 – Location Map



	
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REVISION / RÉVISION - 2025 / 02 / 14	

LOCATION MAP / PLAN DE LOCALISATION

Location of Proposed Legget Drive Local Watermain



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NOT TO SCALE