

Subject: Front-Ending Report – Cost Increase for the Fernbank Road Sanitary Trunk Sewer Fernbank Road, Stittsville

File Number: ACS2026-PDB-PS-0023

Report to Planning and Housing Committee on 6 May 2026

and Council 13 May 2026

Submitted on April 27, 2026 by Derrick Moodie, Director, Planning Services, Planning, Development and Building Services

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Ward: Stittsville (6)

Objet : Rapport d'entente préalable – hausse du coût de l'égout sanitaire collecteur du chemin Fernbank à Stittsville

Dossier : ACS2026-PDB-PS-0023

Rapport présenté au Comité de la planification et du logement

le 6 mai 2026

et au Conseil le 13 mai 2026

Soumis le 27 avril 2026 par Derrick Moodie, directeur, Services de la planification, Direction générale des services de la planification, de l'aménagement et du bâtiment

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Quartier: Stittsville (6)

REPORT RECOMMENDATIONS

That Planning and Housing Committee recommend Council:

1. **Authorize the City and delegate authority to the General Manager, Planning, Development and Building Services, to approve an additional authority of \$1,660,189.67 (plus applicable taxes) to be added to capital account 910386 and to address the repayment requirements identified in the 2024 Development Charges Amendment Background Study, in relation to the 600-millimetre diameter Collector Trunk Sanitary Sewer on Goldhawk Drive from Abbott Street to Cope Drive, then along future Cope Road, from Goldhawk Drive to Shea Road and continued on future Cope Drive to Fernbank Road as outlined in this report; and in accordance with the Front-Ending Agreement Principles and Policy set forth in Documents 1 and 2 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 for Part A works incurred by Fernbank Road Land Owners Group Ltd. (FROG) for an additional \$1,660,189.67 plus applicable taxes to a total upset limit of \$8,778,901 plus applicable taxes, 100 per cent funded by development charges in accordance with the reimbursement schedule set out in the executed Front-Ending Agreement.**

RECOMMANDATIONS DU RAPPORT

Que le Comité de la planification et du logement recommande ce qui suit au Conseil :

1. **Autoriser la Ville à approuver une autorisation budgétaire supplémentaire de 1 660 189,67 \$ (taxes applicables en sus) et déléguer le pouvoir à cette fin à la directrice générale des Services de la planification, de l'aménagement et du bâtiment, à ajouter au compte d'immobilisations 910386, et satisfaire aux exigences de remboursement définies dans l'Étude préliminaire sur la modification des redevances d'aménagement de 2024, en ce qui concerne l'égout sanitaire collecteur d'un diamètre de 600 millimètres sur la promenade Goldhawk de la rue Abbott à la promenade Cope; le long du futur chemin Cope de la promenade Goldhawk au chemin Shea et ensuite sur la future promenade Cope jusqu'au chemin Fernbank, comme il est expliqué dans le présent rapport, conformément aux principes et aux politiques qui régissent les ententes préalables établies**

dans les documents 1 et 2 et dont la forme et le contenu définitifs doivent être à la satisfaction de l'avocat général de la Ville; et

- 2. Autoriser la sortie des fonds nécessaires au remboursement des coûts de conception et de construction engagés pour la partie A des travaux par le Fernbank Road Land Owners Group Ltd (FROG), d'un montant supplémentaire de 1 660 189,67 \$ (taxes applicables en sus), et ce, jusqu'à un montant maximal total de 8 778 901 \$ (taxes applicables en sus) qui est entièrement financé par des redevances d'aménagement, conformément au calendrier de remboursement fixé dans l'entente préalable.**

BACKGROUND

The Fernbank Road Land Owners Group Ltd (FROG) represents major landowners in the Fernbank Community Design Plan Area, which includes CRT, Cavanagh, Tartan Homes, and Regional Group.

In 2009, Council approved the Master Servicing Study for the Fernbank Community Design Plan (CDP). The detailed MSS recommended the design and construction of an east/west trunk sewer named the Fernbank Trunk Sanitary (FTS) Sewer. A portion of the FTS Sewer running north/south within the Goldhawk Drive, from Cope Drive to Abbott Street was completed in 2017. The second phase of construction was completed in 2022. The sanitary and watermain infrastructure requirements in this area are achieved through the establishment of the 600-millimetre diameter Collector Trunk Sanitary Sewer on Goldhawk Drive from Abbott Street to Cope Drive, including to portions within the future Cope Road, from Goldhawk Drive to Shea Road and Fernbank Road (Point 0-3); this includes the design and construction of the 600-millimetre diameter Collector Trunk Sanitary Sewer on Fernbank Road west of Cope Drive for 156.0 metres.

On July 7, 2021, a Front-Ending Report to front-end the cost of the design and construction of the sanitary trunk sewer was approved by Council (ACS2021-PIE-PS-0048). The report identified the total upset limit, including both Part A and Part B works to be \$8,497,115 plus applicable taxes and indexing. Part A was allocated \$7,118,711 and Part B was allocated \$1,378,404, both plus applicable taxes. However, it was understood that a future request to seek additional funds would be submitted upon the approval of the Development Charges By-law update in 2024, where an increased project cost would be considered.

On August 29, 2022, the Front-Ending Agreement was signed between the City of Ottawa and FROG. As per Council approval, the agreement includes a total recoverable

amount of \$8,497,115.00, which includes engineering fees and contingency costs for both Part A and Part B projects.

As of 2023, the Fernbank Trunk Sewer, along with its associated works, was fully constructed and operational, however, the project experienced increased construction costs due to the final design, which included unforeseen items such as utility conflicts and sewer relocations, and construction inflation through the pandemic.

The 2024 Citywide Development Charges Background Study included the updated cost associated with Part A of the Sanitary Trunk Sewer extension, referenced as Development-Related Capital Program Sanitary Sewer, Project Number 10.04940.

The purpose of this report is to seek Council approval for FROG to be reimbursed for the additional costs as set out in the 2024 Development Charges Amendment Background Study.

DISCUSSION

This report seeks to authorize staff to reimburse FROG for additional eligible costs for Part A of the project that are now reflected in the Development Charge Background Study.

The fully operational sanitary sewer supports the existing and continued development of the Fernbank Community Design Plan area. The area required the extension of the major sanitary trunk sewer to accommodate the level of proposed future development.

As per the [2024 Development Charges Amendment Background Study](#), dated April 25, 2025 (Table B.1-2, Item #1.6.11 (10.04940), Fernbank Trunk Sewer (Abbott) FEA - 910386), has a total of \$9,057,900.00, including applicable taxes available. The City has already paid out the interim recovery amount of \$7,244,000.00 to FROG. FROG is requesting an additional \$1,660,189.67 plus applicable taxes, which brings the total cost for Part A to \$8,933,409 which is within the envelope for this project.

RURAL IMPLICATIONS

There are no rural implications associated with the proposed amend Front-Ending Agreement.

COMMENTS BY THE WARD COUNCILLOR

Councillor Glen Gower is aware of the report recommendations.

LEGAL IMPLICATIONS

No amendment to the front ending agreement is required, as identified in the executed Front Ending Agreement from 2021. There are no legal impediments to adopting the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with the recommendations in this report.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications associated with the recommendations outlined in this report.

FINANCIAL IMPLICATIONS

The front-ending report and subsequent agreement are in accordance with the 2024 Development Charges By-law and the 2024 Development Charges Amendment Background Study.

Pending Council approval, the additional authority of \$1,660,189.67 (plus applicable taxes) will be added to 910386 FEA2020-Fernbank Trunk Sewer (Abbott) to address the additional repayment requirements identified in the 2024 Development Charges (DC) Amendment Background Study, DC reference number 10.04940, 100 per cent funded by development charges.

Budget Authority	Existing Approved Budget	Additional Budget Required	Total Budget
Development Charges for Sanitary Wastewater (Out Greenbelt)	\$7,118,711	\$1,660,189.67	\$8,778,901
Plus 1.76 per cent sunk HST	\$125,289	\$29,219.33	\$154,508
Total	\$7,244,000	\$1,689,409	\$8,933,409

The additional reimbursement is subject to fulfilment of the executed Front-Ending Agreement conditions and will be based on the actual values of the costs incurred to the upset limit of \$1,660,189.67 (plus applicable taxes). 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. This repayment will occur in 2026.

All City fees and review costs are included in the total amount of the Development Charge project costs. City Sunk HST (1.76%) is the portion of the HST that the City does not recover from the Province.

ACCESSIBILITY IMPACTS

All infrastructure will be designed in accordance with all relevant legislation and regulations.

ECONOMIC IMPLICATIONS

There are no economic implications associated with the recommendations in this report.

CLIMATE IMPLICATIONS

There are no climate implications associated with the recommendations in this report.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with the recommendations in this report.

INDIGENOUS GENDER AND EQUITY IMPLICATIONS

There are no indigenous, gender or equity implications associated with the recommendations in this report.

TERM OF COUNCIL PRIORITIES

This project addresses the following Term of Council Priorities:

- Thriving Communities
- Sustainable Infrastructure

SUPPORTING DOCUMENTATION

Document 1 Front-Ending Agreement Principles

Document 2 Council Approved Front-Ending Policy

Document 3 Location Map

CONCLUSION

Staff recommend the Planning and Housing Committee authorize the City and delegate authority to the General Manager, Planning, Development and Building Services Development, to increase the total upset limit for the Fernbank Road Trunk Sanitary Sewer project to \$8,778,901 plus applicable taxes.

DISPOSITION

Legal Services to prepare the final form of the agreements in consultation with the Planning Services, Planning, Development and Building Services Department.

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

Document 1 – Front-Ending Agreement Principles

1. The cost of the Part A Fernbank Road 600-millimetre diameter Sanitary Trunk Sewer (Abbott Street to Fernbank Road), including all associated works, is estimated at \$8,778,901 including engineering and contingences plus applicable taxes. All costs incurred shall be justified and include supporting invoices and payment certificates.
2. The City will reimburse the Fernbank Road Landowners Group for an additional \$1,660,189.67 plus applicable taxes to a total upsetting limit of \$8,778,901 plus applicable taxes. Reimbursement will take place in 2026, provided the applicant satisfies all requirements in accordance with the Council approved Front-Ending Policies in Document 2.

Document 2 – Council Approved Front-Ending Policy

Front-Ending Agreements are requested by developers who wish to have specific growth-related capital works in place in advance of the City's capital project plans for emplacement of these same works: developers agree to finance the works at the "front-end" and recover their costs from the City at a later date. The following conditions must be met for the City to enter into a Front-Ending Agreement:

1. All Front-Ending Agreements with the City will be for growth-related capital works that have been included in a development charge study.
2. The contract for front-ended works shall be awarded by the front-ender in accordance with the City's Purchasing Policy of a competitive procurement process and subject to the review and satisfaction of the General Manager, Planning, Infrastructure and Economic Development Department. Where the front-ender does not award the work in accordance with the City's purchasing policy, they must demonstrate that competitive pricing has been obtained, through independent analysis of their engineer, to the satisfaction of the General Manager, Planning, Infrastructure and Economic Development Department. The contract for the work must be made available to the City to provide to the public.
3. Stormwater ponds and related sewer work that are 100 per cent development charge funded in the recommended by-laws will be paid back to the developer based on revenues as they are collected from the designated area. This means that at no time are the repayments to exceed the revenues received. Each Front-Ending Agreement will define the geographic area involved and a separate and specific deferred revenue account may be set up to keep track of the revenues collected and payments made. Crediting will also be allowed for the Front-Ending Agreements related to storm water ponds. Indexing shall apply to the outstanding balance in accordance with the rate of indexation pursuant to the Development Charge By-laws.
4. For all other capital projects, a lump sum payment, both the development charge portion and the City portion, will be made to the developer in the year the project is identified in the City's 10-year capital plan at the time the Front-Ending Agreement is approved. Should growth occur earlier than forecasted, then repayment would be accelerated to reflect the revised timing the City would have budgeted for the project. If growth occurs more slowly than forecasted, then the City will have an additional one to three years (one to three years from the year the project was identified in the 10-year plan) to make repayments. Only in this latter case will the

City's portion of the payment be indexed beginning with the year the project was identified in the 10-year plan.

5. Given that the City will be assuming operating costs earlier than anticipated through the Front-Ending Agreement process; the City is not to pay any carrying costs to the developer.
6. All development charges payable by developers must be paid up front in accordance with the City's by-law. With the exception of the stormwater ponds and related sewer works, there will not be any crediting allowed as a result of entering into a Front-Ending Agreement. On December 8, 2004, City Council approved, "That staff be directed to work with the industry to develop the details of a credit policy to be incorporated into the Front-Ending Policy".
7. In the case where multiple Front-Ending Agreements are in force in the same area-specific Development Charge By-law, and the City has approved the front-ended works for development charge reimbursements, the front-enders will share in the distribution of development charge revenues on a pro-rata basis with other storm water drainage projects. The pro-rated work shall be based on the balance of the outstanding amount owing on the date the repayment is due. Existing front-enders will be advised of new Front-Ending Agreements for stormwater works within the same benefiting area and area-specific development charge By-law.
8. The capital project upset limits for engineering, project management, and contingency shall be the established rates set in accordance with the City's Development Charge By-laws and accompanying background studies, as amended.
9. Land remuneration shall be subject to an appraisal by a professional land appraiser, and the appraisal shall be conducted in accordance with the terms of reference as established in the City's Development Charge By-laws and accompanying background studies, as amended. The upset limit for land remuneration shall be the lesser of the appraised value and the upset limit in accordance with the City's Development Charge By-laws and accompanying background studies.
10. Indexing shall apply to the total project costs if the front-ended work has been delayed over a period of time; the front-ender provides justification for the delay, and with the written concurrence of the City.
11. Where a front-ender is eligible for development charge reimbursement, documentation is required to support the reimbursement in accordance with the City's Purchasing Policy. The Front-Ending Agreement shall identify at which stage

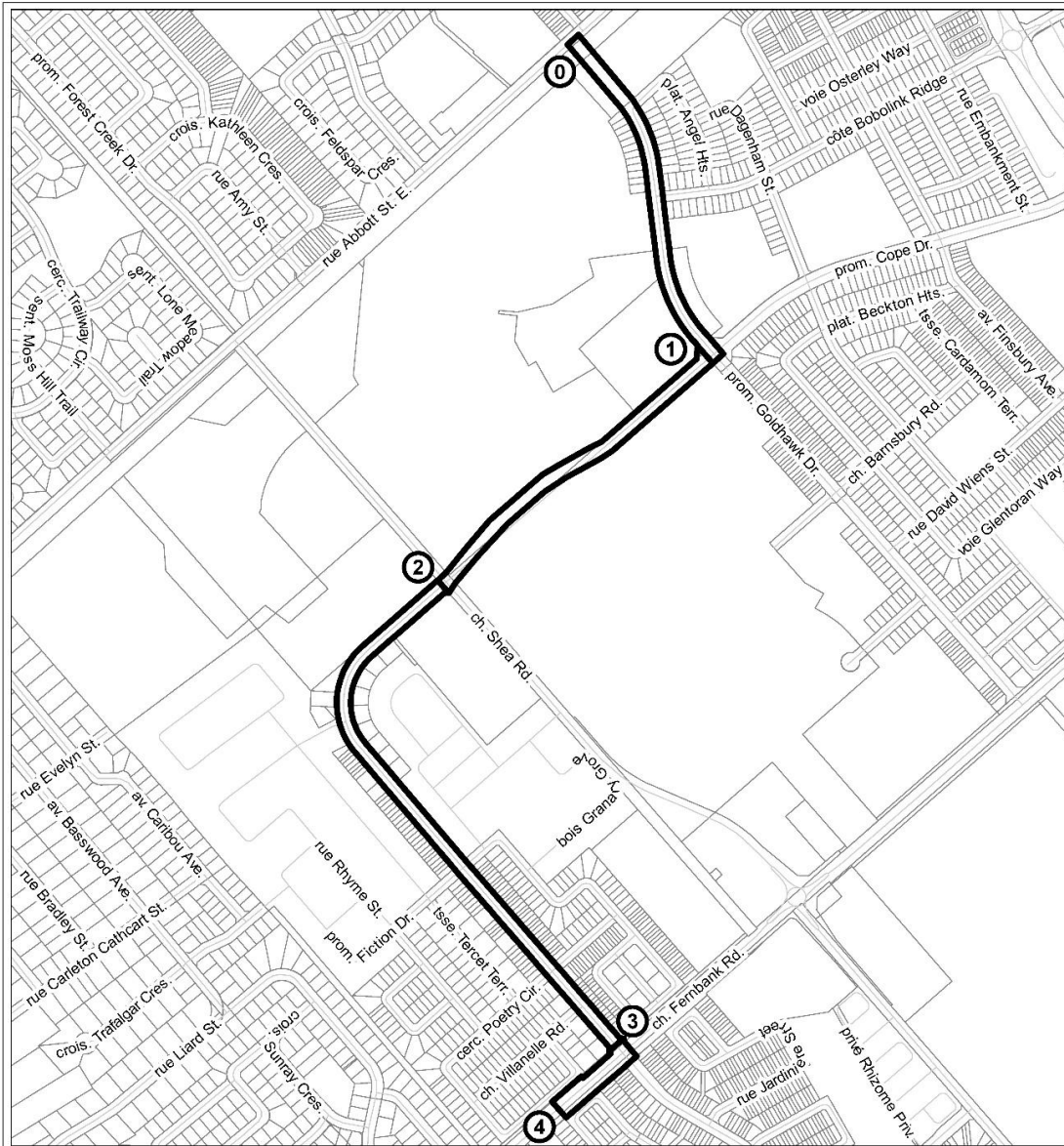
the documentation shall be required. The following documentation shall be forwarded to the City before payment is issued:



- An invoice summarizing the front-ended works, and separate cost items, if applicable, for land, construction costs, engineering fees, project management fees, contingency fees, and applicable taxes.
- Payment Certificates, including the final certificate, signed by the developer's civil engineer.
- All invoices supporting re-payment for the front-ended works.
- Statutory Declaration.
- Certificate of Substantial Performance.
- Workplace Safety and Insurance Board Clearance Certificate (WSIB).
- Certificate of Publication.

12. A report to Council is required to authorize staff to enter into a Front-Ending Agreement. The recommendation will include the financial commitment of the City, specify the funding source(s), the project timeline and where necessary, request that a specific deferred revenue account be established. The financial comment in the report will specify the timelines for the repayment, an operating budget impact and an estimate of the year in which the operating budget impact will begin. It should also indicate the year in which the project was originally identified in the City's 10- year capital plan. A capital project will be established upon Council approval to enter into a Front-Ending Agreement. The status of these projects will be provided to Council on a yearly basis.

13. No capital project identified outside of the Council approved 10- year long range capital plan, shown in the Development Charge Background Study is eligible to be front-ended unless other item(s) of comparable value, funding allocation, and timing is delayed. A capital project identified with a post-period deduction applied to the gross cost will only have the development charge portion reimbursed if front-ended over the term of the by-law. Indexing would not be applicable to the repayment of the post-period component of the project cost. If growth occurs more slowly than forecasted, then the City Treasurer will have the authority to add an additional three years, without interest, to the repayment of the post-period component of the front-ended project from development charges.

Document 3 – Location Map



		LOCATION MAP / PLAN DE LOCALISATION FRONT ENDING AGREEMENT / ACCORD DE FINANCEMENT INITIAL	
D07-20-19-0005	26-0333-L	 prom. Goldhawk Dr. and/et prom. Cope Dr. Part of / partie de ch. Fernbank Rd.	
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