

7. Front-Ending Report – March Road Sanitary Sewer and Watermain, Kanata North Urban Expansion Area

Rapport d'entente préalable – égout sanitaire et conduite d'eau principale du chemin March, Zone d'expansion urbaine de Kanata-Nord

Committee Recommendations

That Council:

- 1. authorize the City and delegate authority to the General Manager, Planning, Infrastructure and Economic Development Department, to enter into a Front-Ending Agreement with Kanata North Land Owners Group (KNLOG) for the design and construction of a 600 mm diameter Sanitary Sewer on March Road and Shirley's Brooke Drive as outlined in this report, to an upset limit of \$11,738,404 plus applicable taxes and indexing, 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 Clerk and Solicitor;**
- 2. authorize the financial disbursement to reimburse the design and construction costs incurred by Kanata North Land Owners Group (KNLOG) pursuant to the execution of the Front-Ending Agreement;**
- 3. authorize the creation of a budget for the design and construction work required per the Front-Ending agreement;**
- 4. authorize the pre-committal of \$11,738,404 plus applicable taxes and indexing (the upset limit of the Front-Ending Agreement) from the 2021 Capital Budget/Development Charges Forecast subject to execution of the Front-Ending Agreement;**
- 5. authorize the expenditure of \$11,738,404 plus applicable taxes and indexing (upset limit) in accordance with the reimbursement schedule set out in the Front-Ending Agreement;**
- 6. authorize the General Manager, Planning, Infrastructure Approvals**

and Economic Development to enter into an Infrastructure Extension Agreement for the design and construction of a 400-millimetre diameter watermain on March Road as outlined in this report.

Recommandations du Comité

Que le Conseil :

- 1. autorise la Ville à conclure une entente préalable avec Kanata North Land Owners Group (KNLOG) et en déléguer le pouvoir au directeur général de Planification, Infrastructure et Développement économique, en vue de procéder à la conception et à l'installation d'un égout sanitaire d'un diamètre de 600 millimètres le long du chemin March et de la promenade Shirley's Brooke, comme le décrit le présent rapport, jusqu'à concurrence de 11 738 404 \$, indexation en sus, conformément aux principes et à la politique de l'entente préalable énoncés dans les documents 1 et 2, et dont la forme et le contenu définitifs seront à la satisfaction du greffier municipal et de l'avocat général;**
- 2. autorise la sortie des fonds nécessaires au remboursement des coûts de conception et d'installation engagés par Kanata North Land Owners Group (KNLOG), dans le cadre de l'exécution de l'entente préalable;**
- 3. autorise la création d'un budget pour les travaux de conception et d'installation requis dans le cadre de l'exécution de l'entente préalable;**
- 4. autorise l'engagement préalable d'une somme de 11 738 404 \$ (la limite maximale de l'entente préalable) provenant du budget d'immobilisations de 2021 et des prévisions de redevances d'aménagement, sous réserve de l'exécution de l'entente préalable;**
- 5. autorise la dépense de 11 738 404 \$ (la limite maximale de l'entente préalable), conformément au calendrier de remboursement fixé dans l'entente préalable;**

- 6- autorise le directeur général de Planification, Infrastructure et Développement économique à conclure un accord de prolongation pour infrastructure, en vue de procéder à la conception et à l'installation d'une conduite d'eau principale de 400 mm le long du chemin March, comme le décrit le présent rapport.**

Documentation / Documentation

1. Director's report, Planning Services, Planning, Infrastructure and Economic Development Department, dated June 17, 2019 (ACS2019-PIE-PS-0063)

Rapport de la directrice, Services de la planification, Direction générale de la planification, de l'infrastructure et du développement économique, daté le 17 juin 2019 (ACS2019-PIE-PS-0063)
2. Extract of draft Minutes, Planning Committee, June 27, 2019

Extrait de l'ébauche du procès-verbal, Comité de l'urbanisme, le 27 juin 2019

**Planning Committee
Report 10
July 10, 2019**

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**Comité de l'urbanisme
Rapport 10
le 10 juillet 2019**

**Report to
Rapport au:**

**Planning Committee / Comité de l'urbanisme
June 27, 2019 / 27 juin 2019**

**and Council / et au Conseil
July 10, 2019 / 10 juillet 2019**

**Submitted on June 17, 2019
Soumis le 17 juin 2019**

**Submitted by
Soumis par:**

**Lee Ann Snedden
Director / Directrice**

Planning Services / Services de la planification

**Planning, Infrastructure and Economic Development Department / Direction
générale de la planification, de l'infrastructure et du développement économique**

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Ward: KANATA NORTH (4) / KANATA NORD (4)

File Number: ACS2019-PIE-PS-0063

WEST CARLETON-MARCH (5)

**SUBJECT: Front-Ending Report – March Road Sanitary Sewer and Watermain,
Kanata North Urban Expansion Area**

OBJET: Rapport d'entente préalable – égout sanitaire et conduite d'eau principale du chemin March, Zone d'expansion urbaine de Kanata-Nord

REPORT RECOMMENDATIONS

That Planning Committee recommend that Council:

- 1. Authorize the City and delegate authority to the General Manager, Planning, Infrastructure and Economic Development Department, to enter into a Front-Ending Agreement with Kanata North Land Owners Group (KNLOG) for the design and construction of a 600 mm diameter Sanitary Sewer on March Road and Shirley's Brooke Drive as outlined in this report, to an upset limit of \$11,738,404 plus applicable taxes and indexing, 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 Clerk and Solicitor;**
- 2. Authorize the financial disbursement to reimburse the design and construction costs incurred by Kanata North Land Owners Group (KNLOG) pursuant to the execution of the Front-Ending Agreement;**
- 3. Authorize the creation of a budget for the design and construction work required per the Front-Ending agreement;**
- 4. Authorize the pre-committal of \$11,738,404 plus applicable taxes and indexing (the upset limit of the Front-Ending Agreement) from the 2021 Capital Budget/Development Charges Forecast subject to execution of the Front-Ending Agreement;**
- 5. Authorize the expenditure of \$11,738,404 plus applicable taxes and indexing (upset limit) in accordance with the reimbursement schedule set out in the Front-Ending Agreement;**
- 6. Authorize the General Manager, Planning, Infrastructure Approvals and Economic Development to enter into an Infrastructure Extension Agreement for the design and construction of a 400-millimetre diameter watermain on March Road as outlined in this report.**

RECOMMANDATIONS DU RAPPORT

Que le Comité de l'urbanisme recommande ce qui suit au Conseil :

1. Autoriser la Ville à conclure une entente préalable avec Kanata North Land Owners Group (KNLOG) et en déléguer le pouvoir au directeur général de Planification, Infrastructure et Développement économique, en vue de procéder à la conception et à l'installation d'un égout sanitaire d'un diamètre de 600 millimètres le long du chemin March et de la promenade Shirley's Brooke, comme le décrit le présent rapport, jusqu'à concurrence de 11 738 404 \$, indexation en sus, conformément aux principes et à la politique de l'entente préalable énoncés dans les documents 1 et 2, et dont la forme et le contenu définitifs seront à la satisfaction du greffier municipal et de l'avocat général;
2. Autoriser la sortie des fonds nécessaires au remboursement des coûts de conception et d'installation engagés par Kanata North Land Owners Group (KNLOG), dans le cadre de l'exécution de l'entente préalable;
3. Autoriser la création d'un budget pour les travaux de conception et d'installation requis dans le cadre de l'exécution de l'entente préalable;
4. Autoriser l'engagement préalable d'une somme de 11 738 404 \$ (la limite maximale de l'entente préalable) provenant du budget d'immobilisations de 2021 et des prévisions de redevances d'aménagement, sous réserve de l'exécution de l'entente préalable;
5. Autoriser la dépense de 11 738 404 \$ (la limite maximale de l'entente préalable), conformément au calendrier de remboursement fixé dans l'entente préalable;
6. Autoriser le directeur général de Planification, Infrastructure et Développement économique à conclure un accord de prolongation pour infrastructure, en vue de procéder à la conception et à l'installation d'une conduite d'eau principale de 400 mm le long du chemin March, comme le décrit le présent rapport.

BACKGROUND

The Kanata North Land Owners Group (KNLOG) represents the major landowners in the Kanata North Urban Expansion Area (KNUEA) which includes Brigil Homes, CU Development Inc. (Claridge /Uniform), Valecraft Homes, Metcalfe Realty and Minto Communities. The expansion area is approximately 181 hectares (447 acres) and bounded by the established urban communities of Morgan's Grant, Briarbrook, and Brookside to the south and the unused CN Railway corridor to the east. The area requires the extension of a major sanitary sewer trunk to accommodate the level of development proposed.

A Community Design Plan (CDP) process was initiated to fulfill the requirement of the Official Plan to support the ability to develop these Lands.

The Kanata North Master Servicing Study (KNMSS) was developed in conjunction with the Kanata North CDP, Environmental Management Plan (EMP), and Transportation Master Plan (TMP) through the integrated planning and Environmental Assessment (EA) process. The detailed Master Servicing Study was prepared following the requirements of the Class EA process and provides a functional level design of the storm drainage, wastewater collection and water distribution servicing requirements. City of Ottawa Council ([ACS2016-PAI-PGM-0109](#)) approved the Master Servicing Study (dated June 28, 2016) and implementation of the Kanata North Community Design Plan on July 13, 2016.

The first stage of the KNUEA development is scheduled to occur within the proposed service area located west of March Road to the topographically defined north-south ridge east of March Road. The sanitary and watermain infrastructure requirements for the initial KNUEA development lands above the ridge will be achieved through the establishment of the 600-millimetre gravity trunk sewer and a 400-millimetre diameter watermain within March Road. The proposed sanitary will connect to the existing 750-millimetre East March Sanitary Trunk Sewer (EMSTS) located at the intersection of Shirley's Brook Drive and Sandhill Road just east of March Road.

With the anticipation of future development, the 2019 City-Wide Development Charges Background Study includes the cost associated with the Sanitary Trunk Sewer extension [Development-Related Capital Program Sanitary Sewer, Project Number 10.ASAX1]. The KNLOG has submitted a Front Ending application (D07-20-19-0001)

to enter into a front ending agreement with the City of Ottawa to allow the construction of the sewer in advance of the Development Charges By-law schedule for these works.

DISCUSSION

The proposed March Road Off-Site Sanitary Trunk Sewer [Development-Related Capital Program Sanitary Sewer, Project Number 10.ASAX1] is included in the City of Ottawa 2019 Development Charges Background Study. The capital budget forecast currently identifies a budget item to a maximum amount as follows:

1. March Road Off-Site Sanitary Trunk Sewer: Total Costs is \$11,945,000.00 for Sanitary Sewer Improvements Program between 2020 and 2024.

The KNLOG is requesting to front-end the cost of the 600-millimetre gravity sanitary trunk sewer within March Road and Shirley's Brook Drive. The Total Development Charge Project Costs (Growth) for the design and construction within March Road and Shirley's Brook Drive is \$11,945,000.00, which includes a 1.76% SUNK HST portion which the City does not recover and is directly attributed to the project costs which are funded through the Development Charge Fund.

All Front-Ending agreements are subject to the Front-Ending principles noted in Document 1 and Council approved Front-Ending policy noted in Document 2.

The City of Ottawa will schedule the repayment of the cost of the works, subject to budget approval, for the first quarter of 2021. If budget approvals do not meet the payment requirement for that year, the payment will be rescheduled to the next year for consideration on the next budget approval. In the event Budget approvals place the repayment beyond 2024, the repayment amount will be subject to an additional indexing cost prepared by the city of Ottawa and is applied to each year beyond 2024 to the repayment.

The proposed 400-millimetre diameter watermain is not a Development Charge project. It will form part of the construction project but must be fully funded by the Kanata North Land Owners Group (KNLOG) prior to commencement of this portion of the works. The landowner group is required to enter into a cost sharing agreement among themselves to cover these costs prior to including the works into the construction project. The agreement will need to demonstrate the payment arrangements to account for the total costs. The 400-millimeter diameter watermain will be subject to an Infrastructure Extension Agreement for the works.

RURAL IMPLICATIONS

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

CONSULTATION

All development approvals were conducted according to the requirements of the *Planning Act* and the City's Public Notification and Consultation Policy. The front-ending entities agree to the process outlined herein.

A Public information session will be held by June 30, 2019 to further notify the community of the proposed works and the construction timelines.

COMMENTS BY THE WARD COUNCILLORS

Councillor Eli El-Chantiry has no issues with the report and Jenna Sudds is aware of the report.

LEGAL IMPLICATIONS

There are no legal impediments to the implementation of this report's recommendation. Subject to Council approval, the City will be entering into a standard Front-Ending agreement with the developer to front end the cost of the 600 mm gravity sanitary trunk sewer within March Road and Shirley's Brook Drive.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications associated with the front-ending of the intersection.

ASSET MANAGEMENT IMPLICATIONS

The recommendations documented in this report are consistent with the City's Comprehensive Asset Management (CAM) Program (City of Ottawa Comprehensive Asset Management Program) objectives.

The proposed March Road Off-Site Sanitary Trunk Sewer is included in the City of Ottawa 2019 Development Charges Background Study. By entering into a Front-Ending Agreement with the Kanata North Land Owners Group for the 600-millimetre gravity sanitary trunk sewer within March Road and Shirley's Brook Drive, supports a level of service expectation and what needs to be done to achieve those levels and provide for future growth.

FINANCIAL IMPLICATIONS

The front-ending report and subsequent agreement are in accordance with the 2019 Development Charges Bylaw and the 2019 Development Charges Background Study.

Upset limits and cost breakdowns are below. Repayments are subject to fulfilment of the Front-Ending Agreement conditions and will be based on the actual values of the costs incurred, to the upset limits. 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.

March Road Sanitary Trunk Sewer

Development Charge Appendix E.2, Table 2 - Item Number 2.2.3	
A. Construction – Sanitary Trunk Sewer	\$9,029,542
B. 15% Engineering	\$1,354,431
C. 15% Contingency	\$1,354,431
Sub-Total	\$11,738,404
D. City Sunk HST (1.76)	\$206,596
Total	\$11,945,000.00

Pending Council approval for the City to enter into the Front-Ending Agreement, a capital account will be established with budget authorities of the upset limit, 100% funded by development charges.

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 the City does not recover from the Province.

There are no cost implications to the City for the design and construction of the 400-millimetre diameter watermain. The watermain design and construction costs shall be borne by the Kanata North Land Owners Group (KNLOG).

ACCESSIBILITY IMPACTS

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

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications with the front ending of this sanitary sewer system.

TERM OF COUNCIL PRIORITIES

This project addresses the following Term of Council Priorities:

- C2 – Enable the achievement of our short- and long-term success
- ES1 – Support an environmentally sustainability.

SUPPORTING DOCUMENTATION

Document 1 Front-Ending Agreement Principles

Document 2 Council Approved Front-Ending Policy

Document 3 Location Map

DISPOSITION

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

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

Document 1 – Front-Ending Agreement Principles

1. The Kanata North Land Owners Group (KNLOG) is required to post 100 per cent securities for the full cost of the design and construction of the March Road Sanitary Trunk Sewer, including all associated works, estimated at **\$11,738,404** including engineering, project management and contingences plus applicable taxes.
2. The cost of the March Road Sanitary Trunk Sewer, including all associated works, estimated at **\$11,738,404** including engineering, project management and contingences plus applicable taxes. All costs incurred shall be justified and include supporting invoices and payment certificates.
3. The City will reimburse Kanata North Land Owners Group (KNLOG) after the works have been granted approval by the City. Reimbursement will take place in 2021, provided the applicant satisfies all requirements in accordance with the Council approved Front-Ending Policies in Document 2.
4. The repayment of construction costs for the March Road Sanitary Trunk Sewer shall be pursuant to Council-approved Front-Ending Agreement Policy as referenced under 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 in order 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 works 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

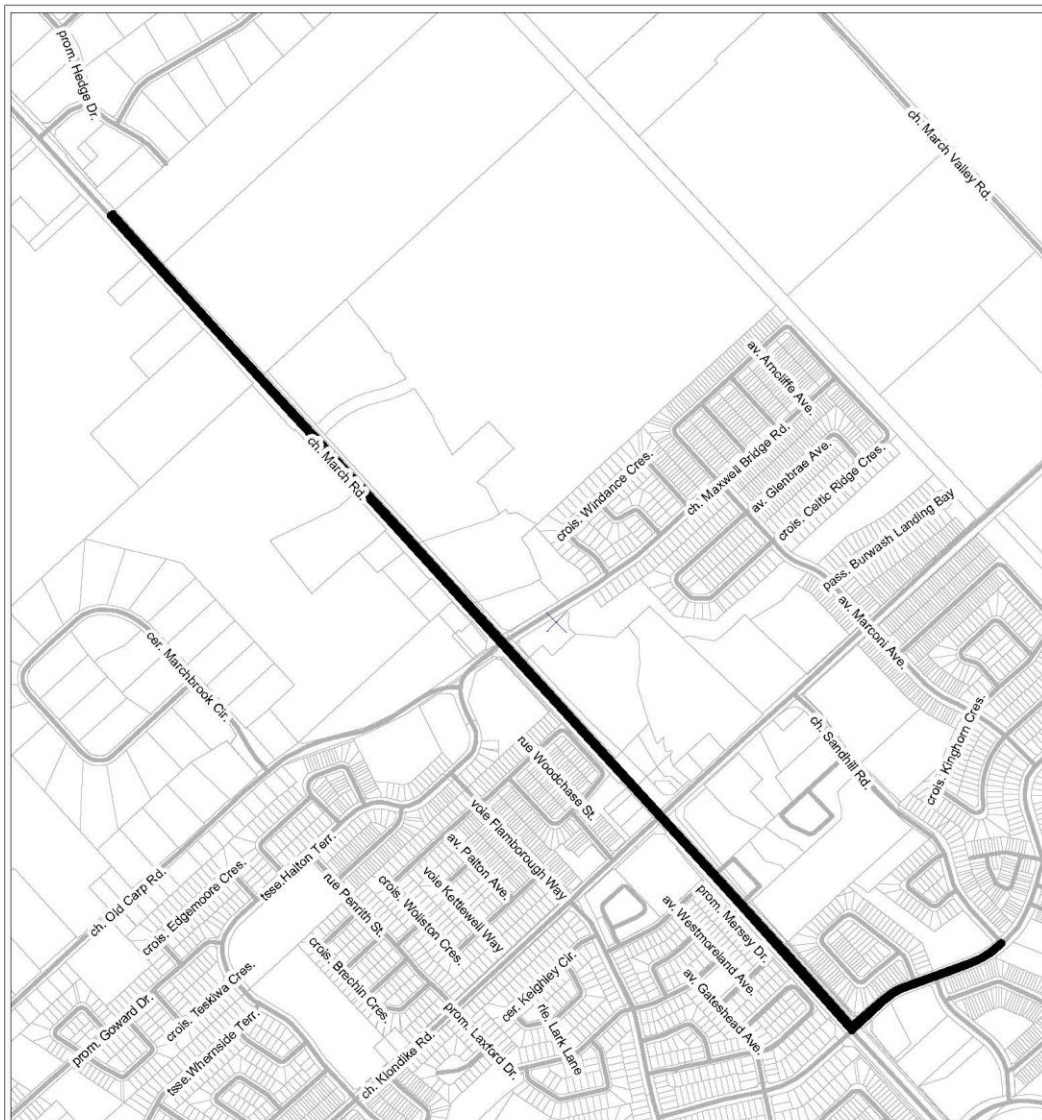
City will have an additional one to three years (one to three years from the year the project was identified in the 10-year plan) to make repayments. Only in this latter case will the City's portion of the payment be indexed beginning with the year the project was identified in the 10-year plan.




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 works 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 works have 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 another 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 SANITARY TRUNK SEWER / ÉGOUT DE COFFRE SANITAIRE	
D07-20-19-0001	19-0494-B	 March Road: Maxwell Road to Shirley's Brook Drive / chemin March: chemin Maxwell à promenade Shirley's Brook	
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