

**1. REVISED REPORT FOR THE FRONT-ENDING AGREEMENT FOR THE  
TENTH LINE PUMPING STATION SANITARY OVERFLOW**

**RAPPORT RÉVISÉ SUR L'ENTENTE DE FINANCEMENT PRÉALABLE  
CONCERNANT LA STATION DE POMPAGE SANITAIRE DU CHEMIN  
TENTH LINE**

**COMMITTEE RECOMMENDATION**

**That Council:**

- 1. Receive this revised report for consideration in replacement of Report ACS2015-PAI-PGM-0135;**
- 2. Authorize the City to enter into a Front-Ending Agreement with Mattamy (Mer Bleue) Ltd. for the cost reimbursement for the design and construction of the Tenth Line Road Sanitary Pumping Station overflow, within the City's untraveled road allowance, to an upset limit of \$500,000.00 in 2020, based upon principles set forth in Document 2 and noted in Document 3, with the final form and content of the Front-Ending Agreement being to the satisfaction of the Deputy City Manager, Planning and Infrastructure, and the City Solicitor; and**
- 3. Authorize the City to enter into a Front-Ending Agreement with Mattamy (Mer Bleue) Ltd. for the cost reimbursement for the design and construction of the proposed storm sewer outlet for the Tenth Line Road Widening Project, within the City's untraveled road allowance, to an upset limit of \$398,650.00 in 2015, based upon principles set forth in Document 2 and noted in Document 3, with the final form and content of the Front-Ending agreement being to the satisfaction of the Deputy City Manager, Planning and Infrastructure, and the City Solicitor.**

### **RECOMMANDATION DU COMITÉ**

**Que le Conseil :**

- 1. prenne connaissance du présent rapport révisé, en remplacement du rapport ACS2015-PAI-PGM-0135;**
- 2. autorise la Ville à conclure un accord de financement préalable avec Mattamy (Mer Bleue) Ltd. pour le remboursement des frais associés à la conception et à la construction du trop-plein de la station de pompage sanitaire du chemin Tenth Line, dans l'emprise routière non fréquentée de Ville, jusqu'à concurrence de 500 000 \$ en 2020, conformément aux principes énoncés dans le document 2 et indiqués dans le document 3, la forme et le contenu définitifs de l'accord de financement préalable devant être à la satisfaction du directeur municipal adjoint, Urbanisme et Infrastructure, et du chef du contentieux; et**
- 3. autorise la Ville à conclure un accord de financement préalable avec Mattamy (Mer Bleue) Ltd. pour le remboursement des frais associés à la conception et à la construction de la sortie de l'égout pluvial proposée en vue du projet d'élargissement du chemin Tenth Line, dans l'emprise routière non fréquentée de Ville, jusqu'à concurrence de 398 650 \$ en 2015, conformément aux principes énoncés dans le document 2 et indiqués dans le document 3, la forme et le contenu définitifs de l'accord de financement préalable devant être à la satisfaction du directeur municipal adjoint, Urbanisme et Infrastructure, et du chef du contentieux.**

### **DOCUMENTATION / DOCUMENTATION**

- 1. Acting Deputy City Manager's Report, Planning and Infrastructure, dated 9 September 2015 (ACS2015-PAI-PGM-0162).**

Rapport du Directeur municipal adjoint par intérim, Urbanisme et infrastructure, daté le 9 septembre 2015 (ACS2015-PAI-PGM-0162).

2. Extract of Minute, Planning Committee, 25 August 2015.  
  
Extrait du procès-verbal, Comité de l'urbanisme, le 25 août 2015.
  
3. Extract of Draft Minute, Planning Committee, 22 September 2015.  
  
Extrait de l'ébauche du procès-verbal, Comité de l'urbanisme, le 22 septembre 2015.

**Report to  
Rapport au:**

**Planning Committee / Comité de l'urbanisme  
September 22, 2015 / 22 septembre 2015**

**and Council / et au Conseil  
October 14, 2015 / 14 octobre 2015**

**Submitted on September 9, 2015  
Soumis le 9 septembre 2015**

**Submitted by  
Soumis par:  
John L. Moser**

**Acting Deputy City Manager / Directeur municipal adjoint par intérim,  
Planning and Infrastructure / Urbanisme et Infrastructure**

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**Ward: CUMBERLAND (19)**

**File Number: ACS2015-PAI-PGM-0162**

**SUBJECT: Revised report for the Front-Ending Agreement for the Tenth Line  
Pumping Station Sanitary Overflow**

**OBJET:        Rapport révisé sur l'Entente de financement préalable concernant la station de pompage sanitaire du chemin Tenth Line**

## **REPORT RECOMMENDATION**

**That Planning Committee recommend Council:**

- 1.    Receive this revised report for consideration in replacement of Report ACS2015-PAI-PGM-0135;**
- 2.    Authorize the City to enter into a Front-Ending Agreement with Mattamy (Mer Bleue) Ltd. for the cost reimbursement for the design and construction of the Tenth Line Road Sanitary Pumping Station overflow, within the City's untraveled road allowance, to an upset limit of \$500,000.00 in 2020, based upon principles set forth in Document 2 and noted in Document 3, with the final form and content of the Front-Ending Agreement being to the satisfaction of the Deputy City Manager, Planning and Infrastructure, and the City Solicitor; and**
- 3.    Authorize the City to enter into a Front-Ending Agreement with Mattamy (Mer Bleue) Ltd. for the cost reimbursement for the design and construction of the proposed storm sewer outlet for the Tenth Line Road Widening Project, within the City's untraveled road allowance, to an upset limit of \$398,650.00 in 2015, based upon principles set forth in Document 2 and noted in Document 3, with the final form and content of the Front-Ending agreement being to the satisfaction of the Deputy City Manager, Planning and Infrastructure, and the City Solicitor.**

## **RECOMMANDATION DU RAPPORT**

**Que le Comité de l'urbanisme recommande au Conseil :**

- 1.    de prendre connaissance du présent rapport révisé, en remplacement du rapport ACS2015-PAI-PGM-0135;**
- 2.    d'autoriser la Ville à conclure un accord de financement préalable avec Mattamy (Mer Bleue) Ltd. pour le remboursement des frais associés à la conception et à la construction du trop-plein de la station de pompage sanitaire du chemin Tenth Line, dans l'emprise routière non fréquentée de Ville, jusqu'à concurrence de 500 000 \$ en 2020, conformément aux principes énoncés dans le document 2 et indiqués dans le document 3, la forme et le**

**contenu définitifs de l'accord de financement préalable devant être à la satisfaction du directeur municipal adjoint, Urbanisme et Infrastructure, et du chef du contentieux; et**

- 3. d'autoriser la Ville à conclure un accord de financement préalable avec Mattamy (Mer Bleue) Ltd. pour le remboursement des frais associés à la conception et à la construction de la sortie de l'égout pluvial proposée en vue du projet d'élargissement du chemin Tenth Line, dans l'emprise routière non fréquentée de Ville, jusqu'à concurrence de 398 650 \$ en 2015, conformément aux principes énoncés dans le document 2 et indiqués dans le document 3, la forme et le contenu définitifs de l'accord de financement préalable devant être à la satisfaction du directeur municipal adjoint, Urbanisme et Infrastructure, et du chef du contentieux.**

## **BACKGROUND**

During the August 25, 2015 meeting of Planning Committee, Mattamy requested that the original ACS2015-PAI-PGM-0135 (Document 4) be deferred to the September 22, 2015 meeting of Planning Committee to allow reconsideration of the staff report in light of the results of Mattamy's tender of the Tenth Line Road pumping station overflow project and the storm sewer outlet for the Tenth Line Road widening project. The tender results indicated that the original high-level estimate contained in the Background Study for the Development Charge By-law update for the Tenth Line Road sanitary overflow of \$500,000.00 was under-estimated. The tendered costs indicate that the estimate of the proposed Tenth Line Road pumping station overflow should be \$938,650.00 exclusive of taxes.

Mattamy acknowledges and agrees that the funds for the Tenth Line Road sanitary pumping station overflow is currently identified as a Development Charge funded project in the current Development Charge By-law 2014-238 for an amount of \$500,000.00 to be reimbursed in 2020. Staff will introduce the additional \$438,650.00 as an amendment to the Tenth Line Road sanitary pumping station overflow Development Charge project in the next Development Charge update for Council's consideration. Should Council approve of the foregoing, and provided there are no successful appeals to the Development Charge By-law update, the City would bring forward a report for front-ending the balance of \$438,650.00 for Council's consideration. Until the foregoing has occurred and Council has approved the front-ending of the balance, all costs associated with the construction of the Tenth Line Road sanitary pumping station overflow shall be borne by the owner.

In 2006, the City constructed the Tenth Line Road Sanitary Pumping Station to serve the Minto Avalon Neighbourhoods 4 and 5, and the Bilberry Creek Industrial Park. The design of the pump station included an on-site sanitary overflow to the future Neighbourhood 5 (NH5) stormwater management pond. Temporary off-site overflows have been constructed within the Neighbourhood 4 and 5 communities as an interim measure until such time as the ultimate pond is constructed and in operation.

This overflow is currently required for the development of the Avalon Neighbourhood 5, Avalon West Stage 3, and Mattamy Summerside West subdivisions. In order for the overflow to be available for these developments in a timely manner, Mattamy has requested to front-end the design and construction of the on-site sanitary overflow. The Neighbourhood 5 pond is currently under construction and will be completed by September of this year. Therefore, the planned installation of the permanent sanitary overflow is required at the pump station.

In August 2006, Council approved the Mer Bleue Road and Tenth Line Road Environmental Assessments. The assessments concluded the need for a divided four-lane road, exclusive bike lane, curb and sidewalks within Tenth Line Road. The design of the Tenth Line Road urbanization is currently underway with start of construction proposed for 2016. As the storm sewer outlet for the Tenth Line Road urbanization project is in the same untraveled road allowance as the permanent sanitary overflow, both sewers should be constructed together.

## **DISCUSSION**

The emergency overflow for the Tenth Line Road pumping station will be to a sewer pipe, which extends from the pumping station to the NH5 storm water management pond. This overflow provides an emergency overflow outlet from the pumping station in case of catastrophic failure of the pumping station should all of the station's back up measures fail. Once the overflow is constructed, all but one of the existing temporary overflows will be decommissioned.

Document 1 illustrates the affected lands. The storm outlet pipe for the Tenth Line Road urbanization project extends south from Brian Coburn Boulevard to approximately 350 metres south of Harvest Valley Avenue. Tenth Line Road is to be constructed within the same untraveled road corridor as the Tenth Line Road Sanitary Pump Station overflow pipe. The City has proposed that the sanitary overflow pipe and the Tenth Line Road storm sewer outlet pipe be combined. A single pipe will reduce the amount of infrastructure within the untraveled road allowance and reduce the maintenance required.

Mattamy has proposed to construct a single oversized sewer which will convey flow from both the sanitary overflow and the Tenth Line Road storm sewer.

The design and construction of the Tenth Line Road Pumping Station overflow is subject to the Development Charge By-law 2014-238, adopted by Council on June 11, 2014, which requires the developer to enter into the Front-Ending Agreement with the City to design and construct the overflow.

The estimated cost to design and construct the sanitary overflow is \$500,000 (Item# 10.00X1 in the Development Charge Background Study). The estimated cost to construct the Tenth Line Road urbanization storm sewer outlet pipe is \$398,650. As indicated in the current Development Charge By-law 2014-238, the funds for the sanitary overflow will be reimbursed in 2020. The funds for the Tenth Line Road urbanization storm sewer outlet were made available in the 2013 Capital Budget.

## **RURAL IMPLICATIONS**

There are no rural implications associated with this report.

## **CONSULTATION**

The review and approval of all land development relying upon the sanitary overflow were conducted in accordance with the requirements of the *Planning Act* and the City's own policies. All necessary consultation was conducted in accordance with the *Environmental Assessment Act* and/or the *Canadian Environmental Assessment Act*. The front-ending entities agree to the process outlined in Documents 2 and 3. No other public consultation is required.

## **COMMENTS BY THE WARD COUNCILLOR**

Councillor Blais supports the recommendation outlined in this report.

## **LEGAL IMPLICATIONS**

There are no legal impediments to adopting the recommendations outlined in this report.

## **RISK MANAGEMENT IMPLICATIONS**

There are no risk management implications associated with this report.



## **ASSET MANAGEMENT IMPLICATIONS**

Comprehensive Asset Management (CAM) is an integrated business approach involving planning, finance, engineering, maintenance and operations geared towards effectively managing existing and new infrastructure to maximize benefits, reduce risk and provide safe and reliable levels of service to community users. This is accomplished in a socially, culturally, environmentally and economically conscious manner.

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 implementation of the CAM program results in timely decisions that minimize lifecycle costs and ensure the long-term affordability of assets. To fulfill its obligation to deliver quality services to the community, the City must ensure that assets supporting City services are managed in a way that balances service levels, risk and affordability.

The recommended approach of entering into a third party infrastructure agreement, in this case, between the City and Mattamy (Mer Bleue) Ltd. for the detailed design and construction of the Tenth Line Road Sanitary Pumping Station overflow, including the oversizing of the proposed storm sewer outlet for the Tenth Line Road Widening Project, supports timely investments and ensures long-term affordability of assets.

## **FINANCIAL IMPLICATIONS**

The Tenth Line Road Sanitary Pumping Station overflow was identified in the 2014 Development Charges Update Study. Mattamy (Mer Bleue) Ltd. is proposing to front-end the overflow. The project currently has approved budget authority of \$514,000 under the account number 907807. Pending approval, this will be adjusted to \$508,800 (\$500,000 plus net HST). As indicated in the 2014 Development Charges Update Study, the reimbursement of the funds to Mattamy (Mer Bleue) Ltd. will not occur until 2020.

Tenth Line Road Urbanization from Brian Coburn to south of Harvest Valley was approved by Council in August 2006 through the Mer Bleue Road and Tenth Line Road Environmental Assessments and was subsequently added to the 2013 budget under the Capital Account number 903219. Pending approval, these funds will be segregated into a new account specific to this agreement. The amount to be transferred to the new account is \$405,666 (\$398,650 plus net HST).

Development Charge Item	Up-Set Limit	Criteria for Repayment
A. Design and Construction of Tenth Line Sanitary Pumping Station overflow	\$357,143	Repayment based on actual value to upset limit
B. Engineering	\$53,571 (15 per cent of construction costs)	Repayment based on the actual value to upset limit
C. Project Management	\$35,715 (10 per cent of construction costs)	Repayment based on the actual value to upset limit
D. Contingency	\$53,571 (15 per cent of construction costs)	Repayment based on the actual upset limit. All contingencies must be justified and supported by invoices and payment certificates
Total Eligible Costs under the Front-Ending Agreement	\$500,000(A+B+C+D)	Repayment based on actual value to up-set limit
Development Charge Background Study Item Number	Item Number 10.00x1	

Capital Account Number	Item	Up-Set Limit	Criteria for Repayment
Account Number 903219	A. Construction of Tenth Line Road Urbanization storm sewer outlet pipe in untraveled road	\$284,750	Repayment based on the actual value to upset limit.

allowance

B.15 per cent Engineering	\$42,713 (15 per cent of construction costs)	Repayment based on the actual value to upset limit.
C.15 per cent Contingency	\$42,713 (15 per cent of construction costs)	Repayment based on the actual value to upset limit. All contingencies must be justified and supported by invoices and payment certificates.
D.10 per cent Project Management	\$28,474 (10 per cent of construction costs)	
Total Eligible Costs under the Front-Ending Agreement	\$398,650 (A+B+C+D)	Repayment based on actual value to upset limit.

Repayment of the Tenth Line Road Sanitary Pumping Station overflow shall be based on the value to an upset limit of \$500,000 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.

Repayment of the Tenth Line Road Urbanization storm sewer outlet shall be based on the value to an upset limit of \$398,650 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.

## **ACCESSIBILITY IMPACTS**

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

## **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications associated with this report.

## **TERM OF COUNCIL PRIORITIES**

This project addresses the following Term of Council Priorities:

ES1 – Support an environmentally sustainable Ottawa

FS1 – Demonstrate sound financial management.

## **SUPPORTING DOCUMENTATION**

Document 1 Location Map

Document 2 Front-Ending Agreement Principles

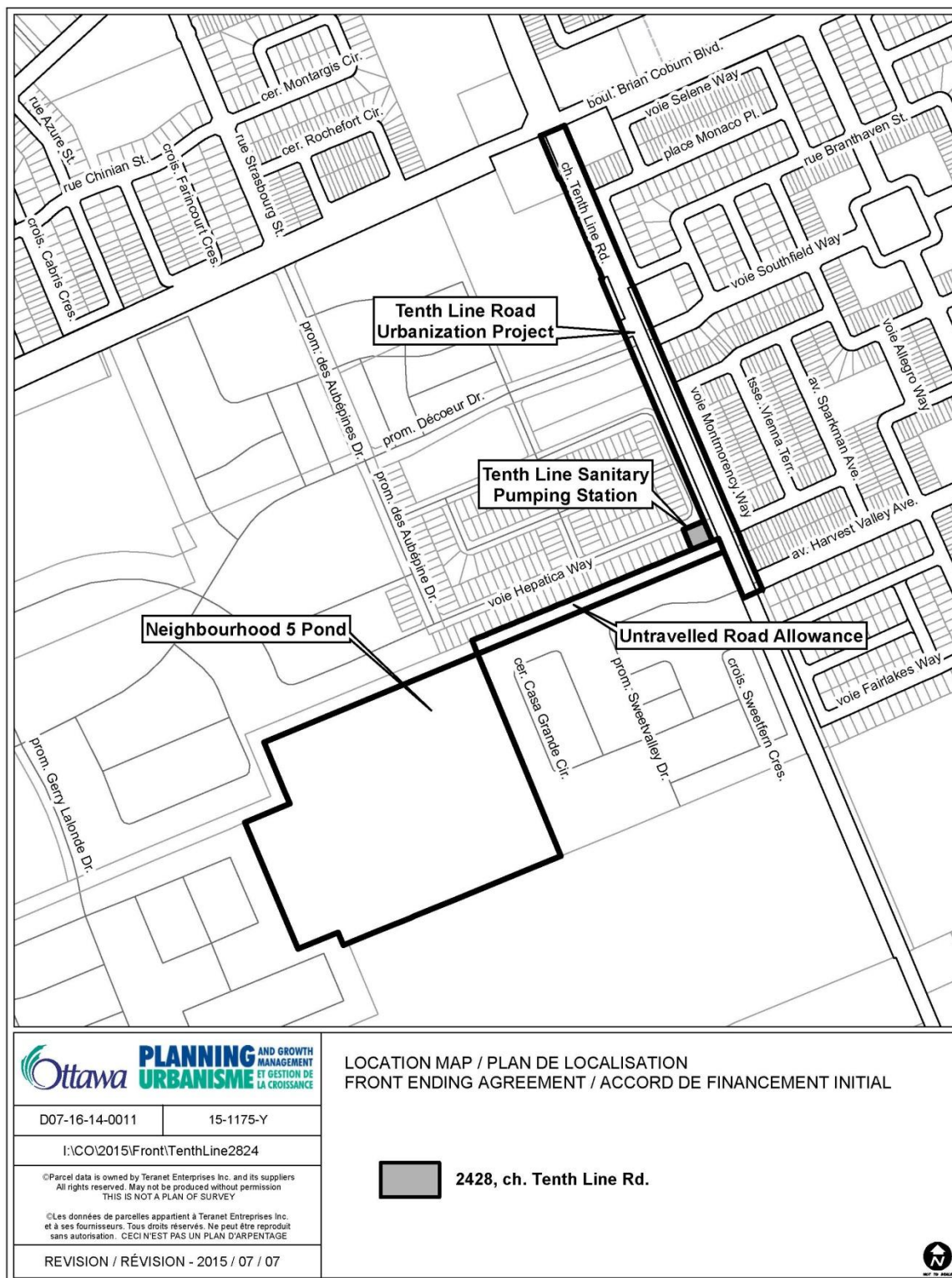
Document 3 Council Approved Front-Ending Policy

Document 4 Original Front-Ending Report from Planning Committee meeting of August 25, 2015

## **DISPOSITION**

The report will be forwarded to City Council for a decision on October 14, 2015. With respect to the Front-Ending Agreement, the final form of the agreement will be prepared by the City Clerk and Solicitor Department in consultation with the Planning and Growth Management Department.

## Document 1 – Location Map



**Document 2 – Front-Ending Agreement Principles**

1. The front-enders shall be required to post a letter of credit or cash deposit equal to the estimated value of the design and construction of the Tenth Line Road Sanitary Pumping Station overflow and the construction of the Tenth Line Road storm sewer outlet for a total amount of \$898,650.
2. The cost of the design and construction of both the Tenth Line Road Sanitary Pumping Station overflow and the Tenth Line Road storm sewer outlet is set at an upset limit of:
  - a) Sanitary pumping station overflow \$500,000, exclusive of applicable taxes.
  - b) Tenth Line Road storm sewer outlet pipe \$398,650 exclusive of applicable taxes.

Should the cost exceed the upset limit, the additional cost shall be borne by the front-enders, and the City shall not be obligated to compensate the front-enders for additional costs.

3. The repayment of the design and construction costs for the Tenth Line Road Sanitary Pumping Station overflow and the Tenth Line Road storm sewer outlet shall be pursuant to the Council approved Front-Ending Policy as referenced in Document 2.
4. Construction will be completed to the City of Ottawa and other regulator's standards.
5. Cost of all work will be borne initially by Mattamy (Mer Bleue) Ltd.
6. The contract for the works will be awarded by Mattamy (Mer Bleue) Ltd. subject to prior review by the City.
7. The front-enders will not be entitled to indexing.

**Document 3 – June 25, 2009 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-enders 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 and Growth Management Department. Where the front-enders do 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 and Growth Management Department. The contract for the work must be made available to the City to provide to the public.
3. Storm water 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 ten 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 ten 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. The development charge portion that will be reimbursed will be indexed yearly in accordance with the rate of indexation pursuant to the Development Charge By-laws up to the year the capital project has been budgeted. (City Council approved February 7, 2005.)
6. 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.
7. All development charges payable by developers must be paid up front in accordance with the City's by-law. With the exception of the storm water 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".
8. In the case where a developer(s) has front-ended a project that at the discretion of the City benefits other developers, those developers who were not part of the Front-Ending Agreement shall pay all of their development charges owed either at the time of registration of a plan of subdivision or upon the issuance of the first conditional building permit, whichever comes first. (City Council approved July 14, 2004 Motion 16/5)
9. 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 storm water works within the same benefiting area and area-specific development charge By-law.
10. 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.



11. 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.
12. Indexing shall apply to the total project costs if the front-ended works have been delayed over a period of time, the front-end provides justification for the delay, and with the written concurrence of the City.
13. Where a front-end 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 & Insurance Board Clearance Certificate (WSIB).
  - Certificate of Publication.
14. 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 ten-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.

15. No capital project identified outside of the Council approved ten 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 4 – Original Front-Ending Report from Planning Committee Meeting of  
August 25, 2015**

**Report to  
Rapport au:**

**Planning Committee / Comité de l'urbanisme  
August 25, 2015 / 25 août 2015**

**and Council / et au Conseil  
September 9, 2015 / 9 septembre 2015**

**Submitted on July 23, 2015  
Soumis le 23 juillet 2015**

**Submitted by  
Soumis par:  
John L. Moser**

**Acting Deputy City Manager / Directeur municipal adjoint par intérim,  
Planning and Infrastructure / Urbanisme et Infrastructure**

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**Ward: CUMBERLAND (19)**

**File Number: ACS2015-PA1-PGM-0135**

**SUBJECT: Front-Ending Agreement for the Tenth Line Pumping Station Sanitary  
Overflow**

**OBJET: Entente de financement préalable concernant la station de pompage sanitaire du chemin Tenth Line**

## **REPORT RECOMMENDATION**

**That Planning Committee recommend Council authorize the City to enter into a Front-Ending Agreement with Mattamy (Mer Bleue) Ltd. for the cost reimbursement for the design and construction of the Tenth Line Road Sanitary Pumping Station overflow, including the oversizing of the proposed storm sewer outlet for the Tenth Line Road Widening Project within the City's untraveled road allowance, to an upset limit of \$898,650.00 in 2015 exclusive of applicable taxes, all based upon principles set forth in Document 1 and noted in Document 2, with the final form and content of the Front-Ending Agreement being to the satisfaction of the Deputy City Manager, Planning and Infrastructure, and the City Solicitor.**

## **RECOMMANDATION DU RAPPORT**

**Que le Comité de l'urbanisme recommande au Conseil d'autoriser la Ville à conclure un accord de financement préalable avec Mattamy (Mer Bleue) Ltd. pour le remboursement des frais associés à la conception et à la construction de la station de pompage sanitaire du chemin Tenth Line, y compris les coûts de surdimensionnement de la sortie du réseau d'égouts proposée pour le projet d'élargissement du chemin Tenth Line, qui s'inscrit dans l'emprise routière non fréquentée de Ville, jusqu'à concurrence de 898 650 \$ en 2015, taxes en sus, conformément aux principes énoncés dans le document 1 et indiqués dans le document 2, la forme et le contenu définitifs de l'accord de financement préalable devant être à la satisfaction du directeur municipal adjoint, Urbanisme et Infrastructure, et du chef du contentieux.**

## **BACKGROUND**

In 2006, the City constructed the Tenth Line Road Sanitary Pumping Station to serve the Minto Avalon Neighbourhoods 4 and 5, and the Bilberry Creek Industrial Park. The design of the pump station included an on-site sanitary overflow to the future Neighbourhood 5 (NH5) stormwater management pond. Temporary off-site overflows have been constructed within the Neighbourhood 4 and 5 communities as an interim measure until such time as the ultimate pond is constructed and in operation.

This overflow is currently required for the development of the Avalon Neighbourhood 5, Avalon West Stage 3, and Mattamy Summerside West subdivisions. In order for the overflow to be available for these developments in a timely manner, Mattamy has requested to front-end the design and construction of the on-site sanitary overflow. The Neighbourhood 5 pond is currently under construction and will be completed by September of this year. Therefore, the planned installation of the permanent sanitary overflow is required at the pump station.

In August 2006, Council approved the Mer Bleue Road and Tenth Line Road Environmental Assessments. The assessments concluded the need for a divided four-lane road, exclusive bike lane, curb and sidewalks within Tenth Line Road. The design of the Tenth Line Road urbanization is currently underway with start of construction proposed for 2016. As the storm sewer outlet for the Tenth Line Road urbanization project is in the same untraveled road allowance as the permanent sanitary overflow, both sewers should be constructed together.

## **DISCUSSION**

The emergency overflow for the Tenth Line Road pumping station will be to a sewer pipe, which extends from the pumping station to the NH5 storm water management pond. This overflow provides an emergency overflow outlet from the pumping station in case of catastrophic failure of the pumping station should all of the station's back up measures fail. Once the overflow is constructed, all but one of the existing temporary overflows will be decommissioned.

Document 1 illustrates the affected lands. The storm outlet pipe for the Tenth Line Road urbanization project extends south from Brian Coburn Boulevard to approximately 350 metres south of Harvest Valley Avenue. Tenth Line Road is to be constructed within the same untraveled road corridor as the Tenth Line Road Sanitary Pump Station overflow pipe. The City has proposed that the sanitary overflow pipe and the Tenth Line Road storm sewer outlet pipe be combined. A single pipe will reduce the amount of infrastructure within the untraveled road allowance and reduce the maintenance required.

Mattamy has proposed to construct a single oversized sewer which will convey flow from both the sanitary overflow and the Tenth Line Road storm sewer.

The design and construction of the Tenth Line Road Pumping Station overflow is subject to the Development Charge By-law 2014-238, adopted by Council on June 11,

2014, which requires the developer to enter into the Front-Ending Agreement with the City to design and construct the overflow.

The estimated cost to design and construct the sanitary overflow is \$500,000 (Item# 10.00X1 in the Development Charge Background Study). The estimated cost to construct the Tenth Line Road urbanization storm sewer outlet pipe is \$398,650. The funds for the sanitary overflow are currently available in the 2015 Capital Budget. The funds for the Tenth Line Road urbanization storm sewer outlet were made available in the 2013 Capital Budget.

## **RURAL IMPLICATIONS**

There are no rural implications associated with this report.

## **CONSULTATION**

The review and approval of all land development relying upon the sanitary overflow were conducted in accordance with the requirements of the *Planning Act* and the City's own policies. All necessary consultation was conducted in accordance with the *Environmental Assessment Act* and/or the *Canadian Environmental Assessment Act*. The front-ending entities agree to the process outlined in Documents 2 and 3. No other public consultation is required.

## **COMMENTS BY THE WARD COUNCILLOR**

Councillor Blais supports the recommendation outlined in this report.

## **LEGAL IMPLICATIONS**

There are no legal impediments to adopting the recommendation outlined in this report.

## **RISK MANAGEMENT IMPLICATIONS**

There are no risk management implications associated with this report.

## **ASSET MANAGEMENT IMPLICATIONS**

Comprehensive Asset Management (CAM) is an integrated business approach involving planning, finance, engineering, maintenance and operations geared towards effectively managing existing and new infrastructure to maximize benefits, reduce risk and provide safe and reliable levels of service to community users. This is accomplished in a socially, culturally, environmentally and economically conscious manner.

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 implementation of the CAM program results in timely decisions that minimize lifecycle costs and ensure the long-term affordability of assets. To fulfill its obligation to deliver quality services to the community, the City must ensure that assets supporting City services are managed in a way that balances service levels, risk and affordability.

The recommended approach of entering into a third party infrastructure agreement, in this case, between the City and Mattamy (Mer Bleue) Ltd. for the detailed design and construction of the Tenth Line Road Sanitary Pumping Station overflow, including the oversizing of the proposed storm sewer outlet for the Tenth Line Road Widening Project, supports timely investments and ensures long-term affordability of assets.

## **FINANCIAL IMPLICATIONS**

The Tenth Line Road Sanitary Pumping Station overflow was identified in the 2014 Development Charges Update Study. Mattamy (Mer Bleue) Ltd. is proposing to front-end the overflow. The project currently has approved budget authority of \$514,000 under the account number 907807. Pending approval, this will be adjusted to \$508,800 (\$500,000 plus net HST).

Tenth Road Urbanization from Brian Coburn to south of Harvest Valley was approved by Council in August 2006 through the Mer Bleue Road and Tenth Line Road Environmental Assessments and was subsequently added to the 2013 budget under the Capital Account number 903219. Pending approval, these funds will be segregated into a new account specific to this agreement. The amount to be transferred to the new account is \$405,666 (\$398,650 plus net HST).

Development Charge Item	Up-Set Limit	Criteria for Repayment
E. Design and Construction of Tenth Line Sanitary Pumping Station overflow	\$357,143	Repayment based on actual value to upset limit
F. Engineering	\$53,571 (15 per cent of construction costs)	Repayment based on the actual value to upset limit
G. Project Management	\$35,715 (10 per cent of	Repayment based on the

	construction costs)	actual value to upset limit
H. Contingency	\$53,571 (15 per cent of construction costs)	Repayment based on the actual upset limit. All contingencies must be justified and supported by invoices and payment certificates
Total Eligible Costs under the Front-Ending Agreement	\$500,000(A+B+C+D)	Repayment based on actual value to up-set limit
Development Charge Background Study Item Number	Item Number 10.00x1	

Capital Account Number	Item	Up-Set Limit	Criteria for Repayment.
Account Number 903219	A. Construction of Tenth Line Road Urbanization storm sewer outlet pipe in untraveled road allowance	\$284,750	Repayment based on the actual value to upset limit.
	B.15 per cent Engineering	\$42,713 (15 per cent of construction costs)	Repayment based on the actual value to upset limit.
	C.15 per cent Contingency	\$42,713 (15 per cent of construction costs)	Repayment based on the actual value to upset limit. All contingencies must be justified and supported by invoices and



payment  
certificates.

D.10 per cent Project Management	\$28,474 (10 per cent of construction costs)
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Total Eligible Costs under the Front-Ending Agreement	\$398,650 (A+B+C+D)	Repayment based on actual value to upset limit.
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Repayment of the Tenth Line Road Sanitary Pumping Station overflow shall be based on the value to an upset limit of \$500,000 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.

Repayment of the Tenth Line Road Urbanization storm sewer outlet shall be based on the value to an upset limit of \$398,650 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.

### **ACCESSIBILITY IMPACTS**

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

### **ENVIRONMENTAL IMPLICATIONS**

There are not environmental implications associated with this report.

### **TERM OF COUNCIL PRIORITIES**

This project addresses the following Term of Council Priorities:

ES1 – Support an environmentally sustainable Ottawa.

FS1 – Demonstrate sound financial management.

## **SUPPORTING DOCUMENTATION**

Document 1 Location Map

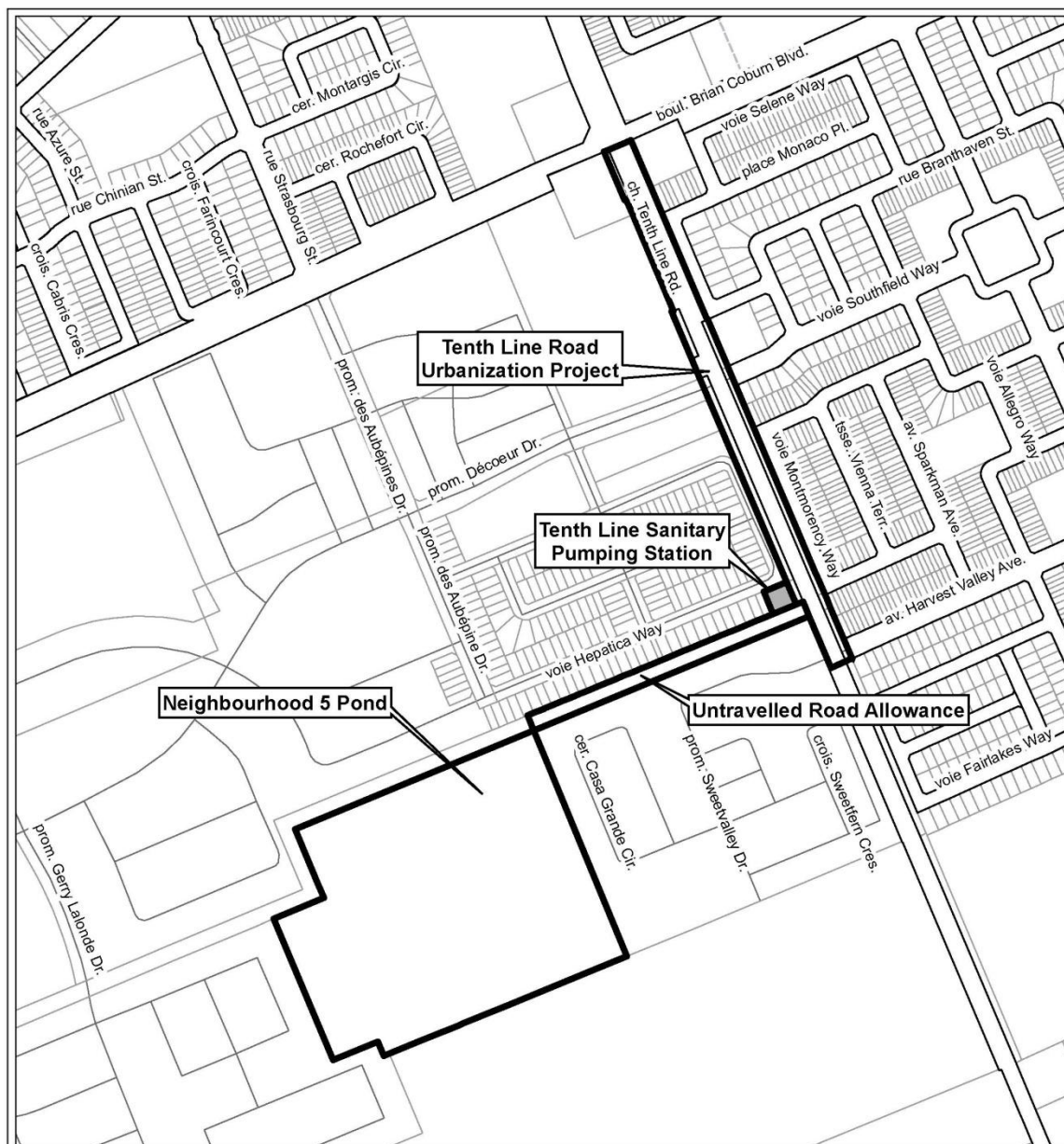
Document 2 Front-Ending Agreement Principles

Document 3 Council Approved Front-Ending Policy

## **DISPOSITION**

The report will be forwarded to City Council for a decision on September 9, 2015. With respect to the Front-Ending Agreement, the final form of the agreement will be prepared by the City Clerk and Solicitor Department in consultation with the Planning and Growth Management Department.

## Document 1 – Location Map



D07-16-14-0011

15-1175-Y

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REVISION / RÉVISION - 2015 / 07 / 07

LOCATION MAP / PLAN DE LOCALISATION  
FRONT ENDING AGREEMENT / ACCORD DE FINANCEMENT INITIAL



2428, ch. Tent Line Rd.



**Document 2 – Front-Ending Agreement Principles**

1. The front-enders shall be required to post a letter of credit or cash deposit equal to the estimated value of the design and construction of the Tenth Line Road Sanitary Pumping Station overflow and the construction of the Tenth Line Road storm sewer outlet for a total amount of \$898,650.
2. The cost of the design and construction of both the Tenth Line Road Sanitary Pumping Station overflow and the Tenth Line Road storm sewer outlet is set at an upset limit of:
  - a) Sanitary pumping station overflow \$500,000, inclusive of applicable taxes.
  - b) Tenth Line Road storm sewer outlet pipe \$398,650 inclusive of applicable taxes.

Should the cost exceed the upset limit, the additional cost shall be borne by the front-enders, and the City shall not be obligated to compensate the front-enders for additional costs.

3. The repayment of the design and construction costs for the Tenth Line Road Sanitary Pumping Station overflow and the Tenth Line Road storm sewer outlet shall be pursuant to the Council approved Front-Ending Policy as referenced in Document 2.
4. Construction will be completed to the City of Ottawa and other regulator's standards.
5. Cost of all work will be borne initially by Mattamy (Mer Bleue) Ltd.
6. The contract for the works will be awarded by Mattamy (Mer Bleue) Ltd. subject to prior review by the City.
7. The front-enders will not be entitled to indexing.

**Document 3 – June 25, 2009 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-end 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 and Growth Management Department. Where the front-end 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 and Growth Management Department. The contract for the work must be made available to the City to provide to the public.
3. Storm water 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 ten 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 ten 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. The development charge portion that will be reimbursed will be indexed yearly in accordance with the rate of indexation pursuant to the Development Charge By-laws up to the year the capital project has been budgeted. (City Council approved February 7, 2005.)
6. 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.
7. All development charges payable by developers must be paid up front in accordance with the City's by-law. With the exception of the storm water 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".
8. In the case where a developer(s) has front-ended a project that at the discretion of the City benefits other developers, those developers who were not part of the Front-Ending Agreement shall pay all of their development charges owed either at the time of registration of a plan of subdivision or upon the issuance of the first conditional building permit, whichever comes first. (City Council approved July 14, 2004 Motion 16/5)
9. 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 storm water works within the same benefiting area and area-specific development charge By-law.
10. 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.

11. 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.
12. Indexing shall apply to the total project costs if the front-ended works have been delayed over a period of time, the front-end provides justification for the delay, and with the written concurrence of the City.
13. Where a front-end 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 & Insurance Board Clearance Certificate (WSIB).
  - Certificate of Publication.
14. 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 ten-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.

15. No capital project identified outside of the Council approved ten 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.