

6. Front-Ending Report – Fernbank Road Collector Trunk Sanitary Sewer Extension

Rapport d'entente préalable – Prolongement de l'égout sanitaire collecteur du chemin Fernbank

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 Fernbank Road Landowners Group for the design and construction of:
 - a) a 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 continue on future Cope Drive to Fernbank Road to an upset limit of \$7,118,711 plus applicable taxes and indexing, and**
 - b) a 600-millimetre diameter Collector Trunk Sanitary Sewer on Fernbank Road for 156 metres, as outlined in this report, to an upset limit of \$1,378,404 plus applicable taxes and indexing, with a total upset limit of \$8,497,115 , 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;****
- 2. authorize the financial disbursement to reimburse the design and construction costs incurred by Fernbank Road Landowners Group pursuant to the execution of the Front-Ending Agreement; and**
- 3. authorize the creation of a budget for the design and construction work required per the Front-Ending agreement**

Recommandations du Comité

Que le Conseil :

1. **autorise la Ville à conclure un accord initial avec Fernbank Landowners Group, et en déléguer le pouvoir au directeur général de la Planification, de l'Infrastructure et du Développement économique, en vue de procéder à la conception et à la construction des éléments suivants :**
 - a) **un égout sanitaire collecteur d'un diamètre de 600 millimètres longeant la promenade Goldhawk entre la rue Abbott et la promenade Cope; le futur chemin Cope, entre la promenade Goldhawk et le chemin Shea; et la future promenade Cope jusqu'au chemin Fernbank, pour un budget maximal de 7 118 711 \$, taxes applicables et indexation en sus;**
 - b) **un égout sanitaire collecteur d'un diamètre de 600 millimètres longeant le chemin Fernbank sur une distance de 156 mètres, comme le décrit le présent rapport, pour un budget maximal de 1 378 404 \$, taxes applicables et indexation en sus, le budget maximal total étant de 8 497 115 \$, conformément aux principes et à la politique de l'accord initial énoncés dans les documents 1 et 2, et dont la forme et le contenu définitifs sont à la satisfaction de l'avocat général de la Ville;**
2. **autorise la sortie de fonds nécessaire au remboursement des coûts de conception et de construction engagés par Fernbank Landowners Group aux termes de l'accord initial à signer; et**
3. **autorise l'établissement d'un budget pour les travaux de conception et de construction requis aux termes de l'accord initial.**

Documentation/Documentation

1. Report from the Director, Planning Services, Planning, Infrastructure and Economic Development Department, dated June 10, 2021 (ACS2021-PIE-PS-0048)

Rapport de la Directrice, Services de la planification, Direction générale de la

planification, de l'infrastructure et du développement économique, daté le 10 juin 2021 (ACS2021-PIE-PS-0048)

2. Extract of draft Minutes, Planning Committee, June 24, 2021

Extrait de l'ébauche du procès-verbal du Comité de l'urbanisme, le 24 juin 2021

**Planning Committee
Report 45
July 7, 2021**

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**Comité de l'urbanisme
Rapport 45
Le 7 juillet 2021**

**Report to
Rapport au:**

**Planning Committee / Comité de l'urbanisme
June 24, 2021 / 24 juin 2021**

**and Council / et au Conseil
July 7, 2021 / 7 juillet 2021**

**Submitted on June 10, 2021
Soumis le 10 juin 2021**

**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**

Contact Person

Personne ressource:

Richard Buchanan

Coordinator / Coordinateur

**Front Ending Agreements and Brownfields Programs / Ententes préalables et
Programme de friches industrielles, Planning Services / Services de la
planification**

613-580-2424, 27801, Richard.Buchanan@ottawa.ca

Ward: STITTSVILLE (6)

File Number: ACS2021-PIE-PS-0048

**SUBJECT: Front-Ending Report – Fernbank Road Collector Trunk Sanitary
Sewer Extension**

**OBJET: Rapport d'entente préalable – prolongement de l'égout sanitaire
collecteur du chemin Fernbank**

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 Fernbank Road Landowners Group for the design and construction of:
 - a) A 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 continue on future Cope Drive to Fernbank Road to an upset limit of \$7,118,711 plus applicable taxes and indexing, and
 - b) A 600-millimetre diameter Collector Trunk Sanitary Sewer on Fernbank Road for 156 metres, as outlined in this report, to an upset limit of \$1,378,404 plus applicable taxes and indexing, with a total upset limit of \$8,497,115 , 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;
2. Authorize the financial disbursement to reimburse the design and construction costs incurred by Fernbank Road Landowners Group pursuant to the execution of the Front-Ending Agreement; and
3. Authorize the creation of a budget for the design and construction work required per the Front-Ending agreement.

RECOMMANDATIONS DU RAPPORT

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

1. Autoriser la Ville à conclure un accord initial avec Fernbank Landowners Group, et en déléguer le pouvoir au directeur général de la Planification, de l'Infrastructure et du Développement économique, en vue de procéder à la conception et à la construction des éléments suivants :
 - a) Un égout sanitaire collecteur d'un diamètre de 600 millimètres longeant la promenade Goldhawk entre la rue Abbott et la promenade

Cope; le futur chemin Cope, entre la promenade Goldhawk et le chemin Shea; et la future promenade Cope jusqu'au chemin Fernbank, pour un budget maximal de 7 118 711 \$, taxes applicables et indexation en sus;

- b) Un égout sanitaire collecteur d'un diamètre de 600 millimètres longeant le chemin Fernbank sur une distance de 156 mètres, comme le décrit le présent rapport, pour un budget maximal de 1 378 404 \$, taxes applicables et indexation en sus, le budget maximal total étant de 8 497 115 \$, conformément aux principes et à la politique de l'accord initial énoncés dans les documents 1 et 2, et dont la forme et le contenu définitifs sont à la satisfaction de l'avocat général de la Ville;**
- 2. Autoriser la sortie de fonds nécessaire au remboursement des coûts de conception et de construction engagés par Fernbank Landowners Group aux termes de l'accord initial à signer; et**
 - 3. Autoriser l'établissement d'un budget pour les travaux de conception et de construction requis aux termes de l'accord initial.**

BACKGROUND

In 2009, the City of Ottawa council approved the Master Servicing Study for the Fernbank Community Design Plan (CDP). For wastewater collection, this study recommended the design and construction of an east/west trunk sewer named the Fernbank Trunk Sanitary (FTS) Sewer.

As part of the 2013 Infrastructure Master Plan (IMP), the extension of the FTS Sewer was proposed to be extended to the Liard Street Pump Station (Liard PS), in order to decommission the station. This capital project is identified as the "Fernbank Collector Sewer" and the "Stittsville Pump Station Gravity Connection and Decommissioning" within the IMP.

As part of the Official Plan Amendment (OPA) 76, the expansion of the Urban Boundary included lands along the southern limit of Stittsville. These lands were identified as Area 6 in the OPA 76 proceedings and designated "Developing Community (Expansion Area)". The Area 6 lands were to be serviced by a new pump station, identified as the Shea Road Pump Station (Shea PS), where flows will be directed to the Liard PS on an

interim basis; and ultimately connected to the FTS Sewer directly, upon its extension to Fernbank Road.

A portion of the FTS Sewer running north/south within the Goldhawk Drive, from Cope Drive to Abbott Street was completed in 2017. This section of trunk sewer was constructed by CRT Developments Inc. (CRT). The works are eligible for cost recovery under the City of Ottawa 2019 Development Charges Background Study (2019 DC), project number 10.04940.

The developers have requested this FTS Sewer expansion be planned for 2020/2021, and will run within the future Cope Drive, from Goldhawk Drive to Fernbank Road and west on Fernbank Road for 156 metres. This section of sewers will be designed and constructed by CRT, 1384341 Ontario Ltd. (Cavanagh-Fernbank), 2087875 Ontario Ltd. (Tartan-Fernbank), and the Area 6 Landowners (2347789 Ontario Ltd. (Cavanagh), Stittsville South Inc. (Regional), Davidson Co-Tenancy (Tartan), and William Davidson (Davidson)), collectively. This section will be eligible for cost recovery as part of 2019 DC project numbers 10.04940 and 10.50340.

The listed developers for both the constructed and proposed sections of sewers will collectively be referred to as Fernbank Road Landowners Group (FRLG).

1384341 Ontario Inc. c/o Cavanagh Developments and CRT Development Inc. c/o Claridge Homes Ltd. have submitted a Front Ending Application (D07-20-19-0005) on behalf of FRLG to enter into a Front Ending Agreement to recover the cost of design and construction of the FTS sewer.

DISCUSSION

Part A – Recommendation 1(a)

The Part A works contain two components. From point 0 to 1 as shown on Document 4, CRT has designed and constructed the portion of the FTS sewer running north/south within the Goldhawk Drive corridor, from Cope Drive to Abbott Street in 2016/2017 at a cost of \$1,944,343 plus applicable taxes.

From point 1 to 3 as shown on Document 4, 1384341 Ontario Inc. c/o Cavanagh Developments and CRT Development Inc. c/o Claridge Homes Ltd. have subdivision applications (D07-16-18-0009 – 1384341 Ontario Inc. and D07-16-11-0003 – CRT) with the City of Ottawa for final approval. 1384341 Ontario Inc. requires these sewer works from the existing sanitary sewer outlet on Goldhawk Drive, down future Cope

Drive to Shea Road for draft approval of their subdivision and CRT Development Inc. require the remaining FTS sewer to Fernbank Road to be constructed before their subdivision can be registered. The developers estimated cost to design and construct the new portion of the FTS sewer from Goldhawk Drive to Fernbank Road is \$7,105,690 plus applicable taxes. Together, the two sections of the FTS sewer cost estimated for the design and construction is \$9,050,033 plus applicable taxes.

The FTS sewer Project is identified in the 2019 Development Charge Background study as Project 10.04940 with a budget of \$7,244,000 for Part A (from point 0 to 3 on Document 4) and timing of the works is for 2020. The FRLG is requesting to front-end the cost of the design and construction of the existing 600-millimetre gravity sanitary trunk sewer within the Goldhawk Drive right-of-way (ROW), from Cope Drive to Abbott Street and the future 600-millimetre gravity sanitary trunk sewer within the future Cope Drive ROW, from Goldhawk Drive to Fernbank Road with a budget of \$7,118,711 plus applicable taxes to be paid back to the developer upon completion and acceptance of the works by the City of Ottawa. The additional costs for this section of the Fernbank Road sewer are not identified under the 2019 Development Charges Background Study.

The City will be bringing forward the difference in costs for Part A through the next Development Charge By-Law update process to seek Council approval for the additional funds, no later than May 2024.

Part B – Recommendation 1(b)

Part B contains works from point 3 to 4 on Document 4. Davidson Co-Tenancy (Tartan) have an existing subdivision development (D07-16-15-0008) underway but are restricted from further development until a portion of Stittsville Pump Station gravity connection is constructed, which will provide additional capacity for further development. The developers estimated cost to design and construct the new 156 m portion of the FTS 600- millimetre diameter sewer on Fernbank Road is \$1,378,404 plus applicable taxes. The FTS sewer Project is identified in the 2019 Development Charge Background Study in Appendix E.2 as Project 10.50340 with a budget of \$1,673,976 for Part B (from point 3 to 5 on Document 4) with the timing for completion of the works for 2024. The budget portion attributed to Benefit to Existing share is 70% (\$1,171,783) and the remaining portion attributed to Development Charges (\$502,193). The FRLG is therefore requesting to front-end the costs of the portion of the Stittsville PS Gravity sewer connection at a cost of \$1,378,404 plus applicable taxes to be paid

back to the developer upon completion and acceptance of the works by the City of Ottawa in 2023.

Part A and B

The total of the upset limit for the front-ending agreement including both Part A and Part B is \$8,497,115 plus applicable taxes.

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.

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 COUNCILLOR

The Ward Councillor is aware of this 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-millimetre diameter gravity sanitary trunk sewer within Goldenhawk Drive, future Cope Drive ROW, and on Fernbank Road.

RISK MANAGEMENT IMPLICATIONS

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

ASSET MANAGEMENT IMPLICATIONS

The recommendations documented in this report are consistent with the City's

[Comprehensive Asset Management \(CAM\) Program](#) objectives. The implementation of the Comprehensive Asset Management program enables the City to effectively manage existing and new infrastructure to maximize benefits, reduce risk, and provide safe and reliable levels of service to community users. This is done in a socially, culturally, environmentally, and economically conscious manner.

The infrastructure to be installed through this FEA will support growth in the Fernbank development area. It will also facilitate future decommissioning of an existing sewage pump station, which will reduce long-term City facility maintenance costs.

This front ending agreement will allow for new infrastructure to be built on a timeline that supports development.

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.

Part A

Fernbank Road 600-millimetre diameter Sanitary Trunk Sewer (Abbott Street to Fernbank Road)

Development Charge Appendix E.2, Table 2 - Item Number 2.2.5 10.04940	
A. Construction – Sanitary Trunk Sewer	\$5,475,931
B. 15% Engineering	\$821,390
C. 15% Contingency	\$821,390

Sub-Total	\$7,118,711
D. City Sunk HST (1.76%)	\$125,289
Total	\$7,244,000

Pending Council approval for the City to enter into the Front-Ending Agreement, a capital account will be established with budget authority of the upset limit, 100 per cent funded through development charges. Repayment to occur upon completion of work and fulfilment of Front-Ending Agreement conditions.

Part B

Fernbank Road Sanitary Trunk Sewer (144 metres of 600-millimetre diameter Sewer on Fernbank Road)

Development Charge Appendix E.2, Table 2 - Item Number 2.2.9 10.50340	
A. Construction – Sanitary Trunk Sewer	\$1,060,310
B. 15% Engineering	\$159,047
C. 15% Contingency	\$159,047
Sub-Total	\$1,378,404
D. City Sunk HST (1.76%)	\$24,260
Total	\$1,402,664

Pending Council approval for the City to enter into the Front-Ending Agreement, a capital account will be established with budget authority of the upset limit. 30 per cent (\$420,799) will be funded by development charges, with the remaining 70 per cent (\$981,865) funding from wastewater reserves, which will be a pre-commitment against the Infrastructure Services capital budget allocation. Upon completion of work and fulfilment of Front-Ending Agreement conditions, repayment is to occur in 2023.

There are no operating budget impacts related to these projects. Public Works

and Environmental Services Department is aware of the projects.

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

Document 4 Context Plan

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 Fernbank Road Landowners Group (FRLG) is required to post 100 per cent securities for the full cost of the design and construction of the Fernbank Road Sanitary Trunk Sewer, including all associated works, estimated at \$8,497,115 including engineering, project management and contingences plus applicable taxes.
2. The cost of the Fernbank Road Sanitary Trunk Sewer to be funded, including all associated works, is estimated at \$8,497,115 including engineering and contingences plus applicable taxes. All costs incurred shall be justified and include supporting invoices and payment certificates.
3. The City will reimburse Fernbank Road Landowners Group (FRLG) after the works have been granted approval by the City. Reimbursement will take place once work is completed and accepted by the City, 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 Fernbank 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

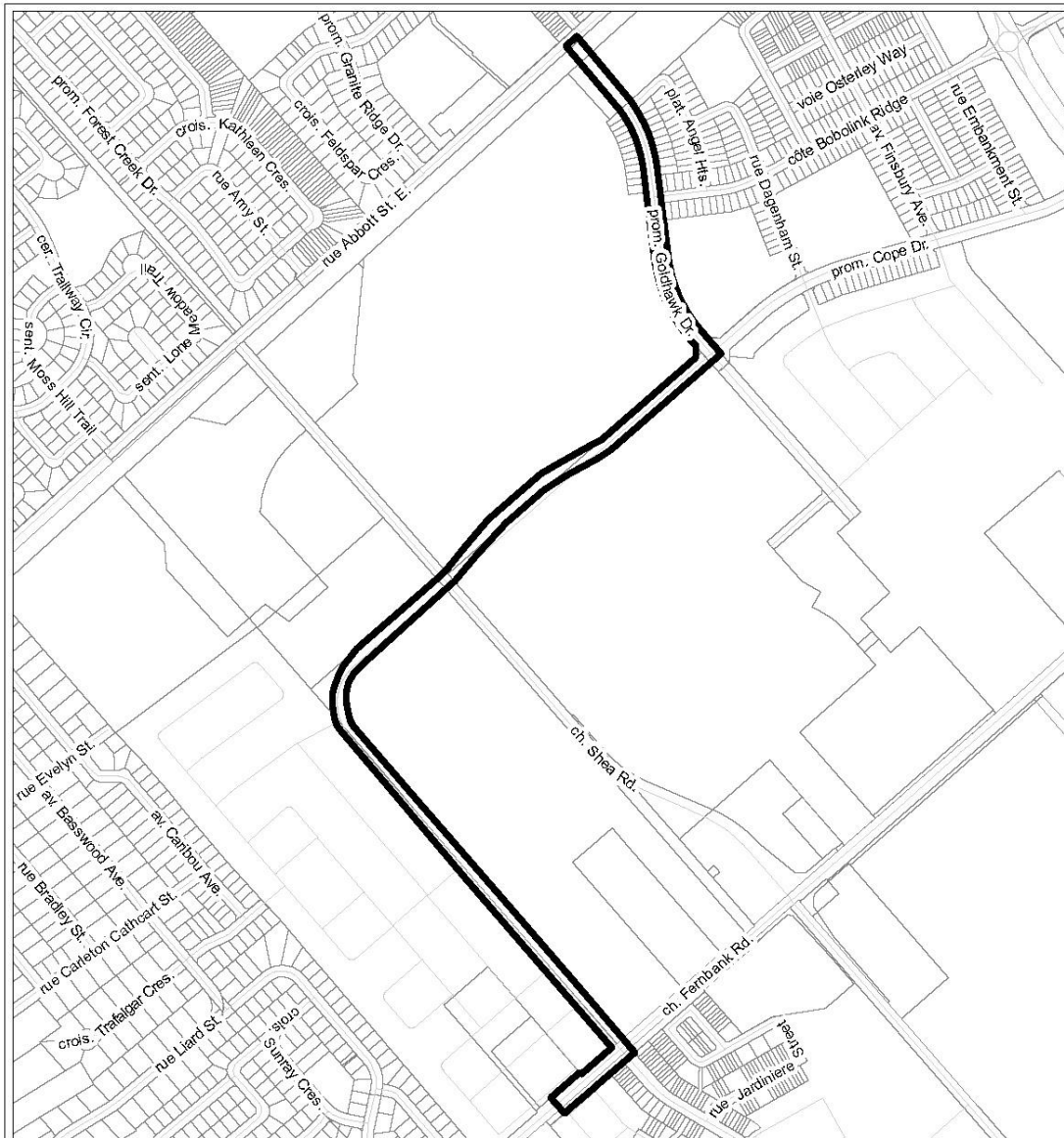
City will have an additional one to three years (one to three years from the year the project was identified in the 10-year plan) to make repayments. Only in this latter case will the City's portion of the payment be indexed beginning with the year the project was identified in the 10-year plan.




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	
D07-20-19-0005	20-1008-L	 prom. Goldhawk Dr. and/et prom. Cope Dr. (future/futur) Part of / partie de ch. Fembank Rd.	
I:\CO\2020\Front\Fembank_Collector_Trunk			
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REVISION / RÉVISION - 2020 / 11 / 26			

Document 4 – Context Plan

