

5. Revised Front-Ending Agreement for the Tenth Line Pumping Station Sanitary Overflow

Accord de financement préalable révisé concernant la station de pompage sanitaire du chemin Tenth Line

Committee recommendations

That Council:

- 1. authorize the City and delegate authority to the General Manager, Planning, Infrastructure and Economic Development Department to enter into an Amending Front-Ending Agreement with Mattamy (Mer Bleue) Ltd. for the increased overall cost reimbursement for the design and construction of the Tenth Line Road Sanitary pumping station overflow, within the City's untraveled road allowance, from the previously approved \$500,000 to an upset limit of \$922,415 plus applicable taxes, in accordance with the Front Ending Agreement principles and policy set forth in Documents 2 and 3 and with the final form and content being to the satisfaction of the City Solicitor;**
- 2. pursuant to the City and Mattamy (Mer Bleue) Ltd. entering into an Amending Front-Ending Agreement, authorize the reimbursement for the increased overall cost of the design and construction of the Tenth Line Road Sanitary pumping station overflow, within the City's untraveled road allowance incurred by Mattamy (Mer Bleue) Ltd., from the previously approved \$500,000 to a maximum amount of \$922,415 plus applicable taxes, in accordance with the reimbursement schedule set out in the Amending Front-Ending Agreement.**

Recommandations du Comité

Que le Conseil :

- 1. autorise la Ville à conclure un accord modificatif de financement préalable avec Mattamy (Mer Bleue) Ltd., et de déléguer le pouvoir à cette fin au directeur général de la Planification, de l'Infrastructure et du Développement économique, pour le**

remboursement des coûts totaux supplémentaires associés à la conception et à la construction de la station de pompage sanitaire du chemin Tenth Line, qui s'inscrit dans l'emprise routière non fréquentée de Ville, du montant préalablement approuvé de 500 000 \$ jusqu'à concurrence de 922 415 \$, taxes applicables en sus, conformément aux principes et aux politiques de l'accord de financement préalable énoncés dans les documents 2 et 3, la forme et le contenu définitifs de l'accord devant être à la satisfaction de l'avocat général;

- 2. autorise, en vertu de l'accord modificatif de financement préalable conclu entre la Ville et Mattamy (Mer Bleue) Ltd, le remboursement des coûts totaux supplémentaires associés à la conception et à la construction de la station de pompage sanitaire du chemin Tenth Line, qui s'inscrit dans l'emprise routière non fréquentée de la Ville, du montant préalablement approuvé de 500 000 \$ jusqu'à concurrence de 922 415 \$, taxes applicables en sus, conformément au calendrier de remboursement fixé dans l'accord modificatif préalable.**

Documentation/Documentation

1. Director's report, Planning Services, Planning, Infrastructure and Economic Development Department, dated November 13, 2020 (ACS2020-PIE-PS-0106)

Rapport du Directeur, Services de la planification, Direction générale de la planification, de l'infrastructure et du développement économique, daté le 13 novembre 2020 (ACS2020-PIE-PS-0106)

**Report to
Rapport au:**

**Planning Committee / Comité de l'urbanisme
November 26, 2020 / 26 novembre 2020**

**and Council / et au Conseil
December 9, 2020 / 9 décembre 2020**

**Submitted on November 13, 2020
Soumis le 13 novembre 2020**

**Submitted by
Soumis par:
Douglas James**

**Acting Director / Directeur par intérim
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: CUMBERLAND (19)

File Number: ACS2020-PIE-PS-0106

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

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

REPORT RECOMMENDATION

That Planning Committee recommend Council:

1. Authorize the City and delegate authority to the General Manager, Planning, Infrastructure and Economic Development Department to enter into an Amending Front-Ending Agreement with Mattamy (Mer Bleue) Ltd. for the increased overall cost reimbursement for the design and construction of the Tenth Line Road Sanitary pumping station overflow, within the City's untraveled road allowance, from the previously approved \$500,000 to an upset limit of \$922,415 plus applicable taxes, in accordance with the Front-Ending Agreement principles and policy set forth in Documents 2 and 3 and with the final form and content being to the satisfaction of the City Solicitor;
2. Pursuant to the City and Mattamy (Mer Bleue) Ltd. entering into an Amending Front-Ending Agreement, authorize the reimbursement for the increased overall cost of the design and construction of the Tenth Line Road Sanitary pumping station overflow, within the City's untraveled road allowance incurred by Mattamy (Mer Bleue) Ltd., from the previously approved \$500,000 to a maximum amount of \$922,415 plus applicable taxes, in accordance with the reimbursement schedule set out in the Amending Front-Ending Agreement.

RECOMMANDATION DU RAPPORT

Que le Comité de l'urbanisme recommande au Conseil :

1. d'autoriser la Ville à conclure un accord modificatif de financement préalable avec Mattamy (Mer Bleue) Ltd., et de déléguer le pouvoir à cette fin au directeur général de la Planification, de l'Infrastructure et du Développement économique, pour le remboursement des coûts totaux supplémentaires associés à la conception et à la construction de la station de pompage sanitaire du chemin Tenth Line, qui s'inscrit dans l'emprise routière non fréquentée de Ville, du montant préalablement approuvé de 500 000 \$ jusqu'à concurrence de 922 415 \$, taxes applicables en sus, conformément aux principes et aux politiques de l'accord de financement préalable énoncés dans les documents 2 et 3, la forme et le contenu définitifs de l'accord devant être à la satisfaction de l'avocat général;

2. **d'autoriser, en vertu de l'accord modificatif de financement préalable conclu entre la Ville et Mattamy (Mer Bleue) Ltd, le remboursement des coûts totaux supplémentaires associés à la conception et à la construction de la station de pompage sanitaire du chemin Tenth Line, qui s'inscrit dans l'emprise routière non fréquentée de la Ville, du montant préalablement approuvé de 500 000 \$ jusqu'à concurrence de 922 415 \$, taxes applicables en sus, conformément au calendrier de remboursement fixé dans l'accord modificatif préalable.**

BACKGROUND

In the fall of 2014, Planning, Infrastructure and Economic Development obtained the 2015 Capital Budget approval for \$514,000 for the construction of the overflow structure for the Tenth Line Road Sanitary Pump Station.

On October 14, 2015, report [ACS2015-PAI-PGM-0162](#) was approved by Council to 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 in 2020.

The 2015 report acknowledged the original high-level estimate contained in the Background Study for the Development Charge By-law update for the Tenth Line Road sanitary overflow was under-estimated. Staff indicated in 2015 that they would come back to Council to update the Background Study for the Development Charge By-law and the Front-Ending Agreement to reflect the tendered cost of the Tenth Line Road Sanitary pumping station overflow.

The tendered costs indicate that the estimate of the proposed Tenth Line Road pumping station overflow should be \$938,650 including engineering, Sunk HST, project management and contingences.

Through the 2016 Capital Budget process, the City budgeted \$440,000 towards the additional costs of the Overflow Structure for the Tenth Line sewage pumping station.

The existing 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 is to a maximum of \$500,000. Due to the increased costs of the project, an amending Front-Ending Agreement will be needed to reflect the updated project budget.

DISCUSSION

The emergency overflow for the Tenth Line Road pumping station outlets to a sewer pipe, which extends from the pumping station to the Neighbourhood 5 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. Mattamy (Mer Bleue) Ltd. has constructed a single oversized sewer which will convey flow from both the sanitary overflow and the Tenth Line Road storm sewer.

Per Council's direction, on May 10, 2016, the City entered into a Front-Ending Agreement with Mattamy (Mer Bleue) Ltd. for the design and construction of the Tenth Line Road pumping station overflow. Although it was acknowledged at that time that while the actual estimated cost of the works was \$938,650, the Front-Ending Agreement limited the maximum reimbursement amount to \$500,000 due to the budget limit at that time. It was further acknowledged in the Front-Ending Agreement that the City would introduce additional funding as an amendment to the project budget in the next Development Charge update, pending Council approval.

Through the 2016 Capital Budget process, the City budgeted \$440,000 towards the additional costs of the Overflow Structure for the Tenth Line Sewage pumping station.

In 2019, additional funding was included in an amendment to the Tenth Line Road sanitary pumping station overflow Development Charge project in the 2019 Development Charge update to reflect increased costs of the project. The overall updated (current) budget is \$948,800, (Project 2.3.1 East Urban Community - Neighbourhood 5 sanitary pumping station overflow – Upgrades 907807, Project # 10.00X1 in the 2019 Development Charge Background Study), and the updated project cost is \$938,650 including applicable HST.

The existing 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 will need to be amended to reflect the 2019 Development Charges Background study amounts.

All Front-Ending Agreements are subject to the Front-Ending principles noted in Document 2 and Council approved Front-Ending Policy noted in Document 3.

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 Kitts is aware of 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

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 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, supports timely investments and ensures long-term affordability of assets.

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, which include all City fees and review costs. 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.

2019 Development Charge Background Study Appendix E.2, Project Number 10.00X1		Neighbourhood 5 Sanitary Pumping Station Overflow - Upgrades - 907807		
	2015 Cost Estimates	Increase	Total	
A. Construction – Tenth Line Road Sanitary Pumping Station overflow	\$357,143	\$301,725	\$658,868	
B. 15% Engineering	\$53,571	\$45,259	\$98,830	
C. 10% Project Management	\$35,715	\$30,173	\$65,887	
D. 15% Contingency	\$53,571	\$45,259	\$98,830	
Sub-Total	\$500,000	\$422,415	\$922,415	
E. City Sunk HST (1.76%)	\$8,800	\$7,435	\$16,235	
Total	\$508,800	\$429,850	\$938,650	

Pending Council approval of the recommendations, the budget authority of \$948,800 within 907807 N5 sanitary pumping station overflow will be adjusted to \$938,650, and the project will be refinanced to be 100 per cent funded by development charges, in accordance with the 2019 DC By-law.

There are no operating budget impacts related to this project.

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:

- Sustainable Infrastructure: Ensure sustainable infrastructure investment to meet the future growth and service needs of the city.

SUPPORTING DOCUMENTATION

Document 1 Location Map

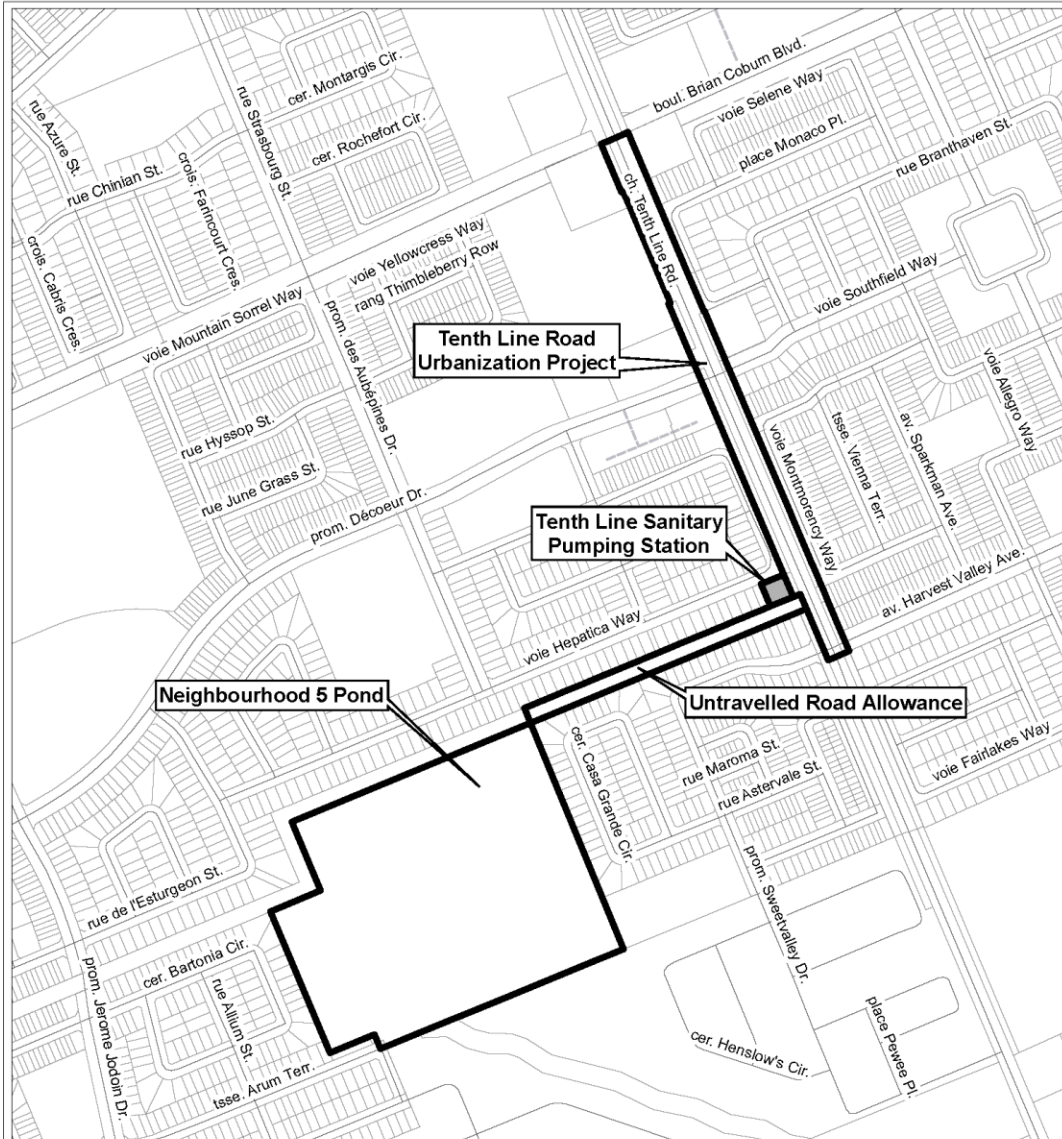
Document 2 Front-Ending Agreement Principles



Document 3 June 25, 2009 Council Approved Front-Ending Policy

DISPOSITION

The report will be forwarded to City Council for a decision on December 9, 2020. With respect to the Front-Ending Agreement, the final form of the agreement will be prepared by the City Solicitor in consultation with the Planning, Infrastructure and Economic Development Department.

Document 1 – Location Map



		LOCATION MAP / PLAN DE LOCALISATION FRONT ENDING AGREEMENT / ACCORD DE FINANCEMENT INITIAL	
D07-16-14-0011	15-1175-Y		
I:\CO\2015\Front\TenthLine2428			
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<small>©Les données de parcelles appartient à Teranet Entreprises Inc. et à ses fournisseurs. Tous droits réservés. Ne peut être reproduit sans autorisation. CE CI N'EST PAS UN PLAN D'ARPENTAGE.</small>			
<div style="display: flex; align-items: center; justify-content: center;"> <div style="width: 20px; height: 20px; background-color: grey; border: 1px solid black; margin-right: 5px;"></div> 2428, ch. Tenth Line Rd. </div>			
REVISION / RÉVISION - 2015 / 07 / 07			
			

Document 2 – Front-Ending Agreement Principles

1. The cost of the design and construction of both the Tenth Line Road sanitary pumping station overflow is set at an upset limit of \$938,650, including engineering, Sunk HST, project management and contingences, plus 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.

2. The repayment of the design and construction costs for the Tenth Line Road sanitary pumping station overflow shall be pursuant to the Council approved Front-Ending Policy as referenced in Document 2.
3. Construction will be completed to the City of Ottawa and other regulator's standards.
4. Cost of all work will be borne initially by Mattamy (Mer Bleue) Ltd.
5. The contract for the works will be awarded by Mattamy (Mer Bleue) Ltd. subject to prior review by the City.
6. 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-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 and Growth Management 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 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-ender provides justification for the delay, and with the written concurrence of the City.
13. 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.
 - 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.