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The Regional Municipality of Durham Report

To: Works Committee
From: Commissioner of Works
Report: #2023-W-5
Date: January 11, 2023

Subject:

Approval of Unbudgeted Capital Works to be Incorporated into a Subdivision Agreement with the Minto (Harmony Road) GP Inc., Including Cost Sharing in Accordance with the Region Share Policy, for the Extension and Oversizing of a Trunk Sanitary Sewer and Watermains Through the Minto Subdivision, North of Conlin Road East, West Side of Harmony Road North (Regional Road 33), in the City of Oshawa

Recommendation:

That the Works Committee recommends to Regional Council:

- A) That unbudgeted capital works estimated at \$1,804,900 for the Regional share of the trunk sanitary sewer and watermains in the Kedron Secondary Plan, in the City of Oshawa, be approved;
- B) That the Regional Municipality of Durham be authorized to enter into a Subdivision Agreement with Minto (Harmony Road) GP Inc. for the extension and oversizing of a trunk sanitary sewer and watermains through the Minto Subdivision, approximately 750 metres north of Conlin Road East, west of Harmony Road North (Regional Road 33), in the City of Oshawa, including a Regional share amount estimated at \$1,804,900, for an estimated total project cost of \$5,052,100; and
- C) That financing for the subdivision agreement, including the Regional Share amount be provided from the following sources:

Sanitary Sewer:

Developer's Share – Sanitary Sewer

Minto (Harmony Road) GP Inc.

\$1,755,000

Total Developer's Sanitary Sewer Share	<u>\$1,755,000</u>
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Regional Costs – Sanitary Sewer**Reallocation of Funds**

2022 Sanitary Sewerage System Capital Budget

Item No. 79: Thickson Rd. Sub-trunk sanitary sewer
from Glengowan St. to Conlin Rd. (Project ID: D2103)

Residential Development Charge Reserve Fund \$1,023,901

Commercial Development Charge Reserve Fund 63,821

User Rate 299,678**Total Regional Share – Sanitary Sewer** **\$1,387,400****Total Sanitary Sewer** **\$3,142,400****Watermain:****Developer's Share - Watermain**Minto (Harmony Road) GP Inc. \$1,492,200**Total Developer's Watermain Share** **\$1,492,200****Regional Costs – Watermain**

2022 Water Supply System Capital Budget

Item No. 304 Allowance for Regional share for works in conjunction
with residential subdivision development (Project ID: M2210)

Residential Development Charge Reserve Fund \$365,730

Commercial Development Charge Reserve Fund 9,185

User Rate 42,585**Total Regional Share – Watermain** **\$417,500****Total Watermain** **\$1,909,700****Total Developer's Share** **\$3,247,200****Total Regional Share** **\$1,804,900****Total Project Financing** **\$5,052,100**

Report:**1. Purpose**

- 1.1 The purpose of this report is to obtain approval for unbudgeted capital work and to enter into a Subdivision Agreement with the Minto (Harmony Road) GP Inc. (Minto), including cost sharing in accordance with the Regional Municipality of Durham's (Region) Share Policy, related to the construction of a proposed trunk sanitary sewer and watermains in the City of Oshawa.

2. Background

- 2.1 Minto plans to develop their Draft Plan of Subdivision, located approximately 750 metres (m) north of Conlin Road on both sides of Harmony Road (Regional Road 33) within the Kedron Secondary Plan Area in Oshawa. To develop the lands, the construction of a 675 millimetre (mm) diameter trunk sanitary sewer and watermains through the Minto Subdivision is required. Minto also requires a 200 mm diameter sanitary sewer, a 300 mm diameter watermain and a 400 mm diameter watermain to be constructed internal to the subdivision. All proposed cost sharing will be in accordance with the Region's Share Policy within the Region's Development Charges Study.
- 2.2 The Region's Share Policy requires the developer to pay for the works required to service the subject development, with the Region responsible for the balance of the cost. In this case, Minto would be responsible to pay for the cost to construct a 200 mm diameter sanitary sewer, and the Region would be responsible to pay the cost of oversizing these pipes to a 675 mm diameter sanitary sewer downstream from the future northern Type C arterial road, to be known as Nancy Diamond Boulevard right-of-way, to an outlet on Harmony Road.
- 2.3 The Region would be responsible to pay 50 per cent of the cost for a 300 mm watermain along the future Nancy Diamond Boulevard right-of-way as well as oversizing this pipe to a 400 mm diameter watermain where the abutting lands are a part of a future subdivision. The length of these abutting lands is approximately 395 metres. The Region would also be responsible for the extension of a 450 mm sanitary sewer and 300 mm watermain along the future Nancy Diamond Boulevard right-of-way.
- 2.4 The developer will be responsible for 100 per cent of the local sanitary sewer and water supply services contained within the plan of subdivision.

- 2.5 Regional staff have standing authority to approve cost sharing in keeping with the Policy up to a maximum Regional Share of \$500,000 for Subdivision Agreements. As this project exceeds the authorized amount, Regional Council's approval is required.
- 2.6 All other requirements of the Regional Subdivision Agreement will be in place, including the posting of a letter of credit for 100 per cent of the cost of the works, Regional inspection requirements and the two-year infrastructure maintenance period.

3. Previous Reports and Decisions

- 3.1 There are no previous reports/decisions related to this report.

4. Financing

- 4.1 Section 14.2.2 of the Region's Budget Management Policy requires approval of Works Committee and Regional Council for purchases of unbudgeted capital expenditures in excess of \$50,000.
- 4.2 The financing of \$5.05 million including the Developer's share of \$3.25 million and the Region's share of \$1.8 million for the oversizing and abutting costs can be provided as follows:

Sanitary Sewer:

Developer's Share – Sanitary Sewer

Minto (Harmony Road) GP Inc.	\$1,755,000
Total Developer's Sanitary Sewer Share	<u>\$1,755,000</u>

Regional Costs – Sanitary Sewer

Reallocation of Funds

2022 Sanitary Sewerage System Capital Budget	
Item No. 79: Thickson Rd. Sub-trunk sanitary sewer	
from Glengowan St. to Conlin Rd. (Project ID: D2103)	
Residential Development Charge Reserve Fund	\$1,023,901
Commercial Development Charge Reserve Fund	63,821
User Rate	<u>299,678</u>
Total Regional Share – Sanitary Sewer	<u>\$1,387,400</u>

Total Sanitary Sewer	<u>\$3,142,400</u>
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Watermain:**Developer's Share - Watermain**

Minto (Harmony Road) GP Inc.	<u>\$1,492,200</u>
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Total Developer's Watermain Share	<u>\$1,492,200</u>
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Regional Costs – Watermain

2022 Water Supply System Capital Budget

Item No. 304 Allowance for Regional share for works in conjunction with residential subdivision development (Project ID: M2210)

Residential Development Charge Reserve Fund	\$365,730
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Commercial Development Charge Reserve Fund	9,185
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User Rate	<u>42,585</u>
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Total Regional Share – Watermain	<u>\$417,500</u>
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Total Watermain	<u>\$1,909,700</u>
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Total Developer's Share	<u>\$3,247,200</u>
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Total Regional Share	<u>\$1,804,900</u>
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Total Project Financing	<u>\$5,052,100</u>
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- 4.3 Construction of the Thickson Road Sub-trunk sanitary sewer is directly related to development activity for the service area. Based on the development requirements, this project is not proceeding in 2022 and consequently will be re-budgeted in 2023.

5. Relationship to Strategic Plan

- 5.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:

- a) Goal 5 Service Excellence – to provide exceptional value to Durham taxpayers through responsive, effective and fiscally sustainable services delivery.
 - Priority 5.1 – Optimize resources and partnerships to deliver exceptional quality services and value.

6. Conclusion

- 6.1 It is recommended that Regional Council enter into a Subdivision Agreement with Minto (Harmony Road) GP Inc. containing the foregoing provisions and that the capital works be approved as identified in the report.
- 6.2 This report has been reviewed by the Finance Department and the Commissioner of Finance concurs with the financial recommendation.
- 6.3 For additional information, contact: Charlotte Pattee, Development Approvals Engineer, at 905-668-7711, extension 3435.

7. Attachments

Attachment #1: Location Plan

Respectfully submitted,

Original signed by:

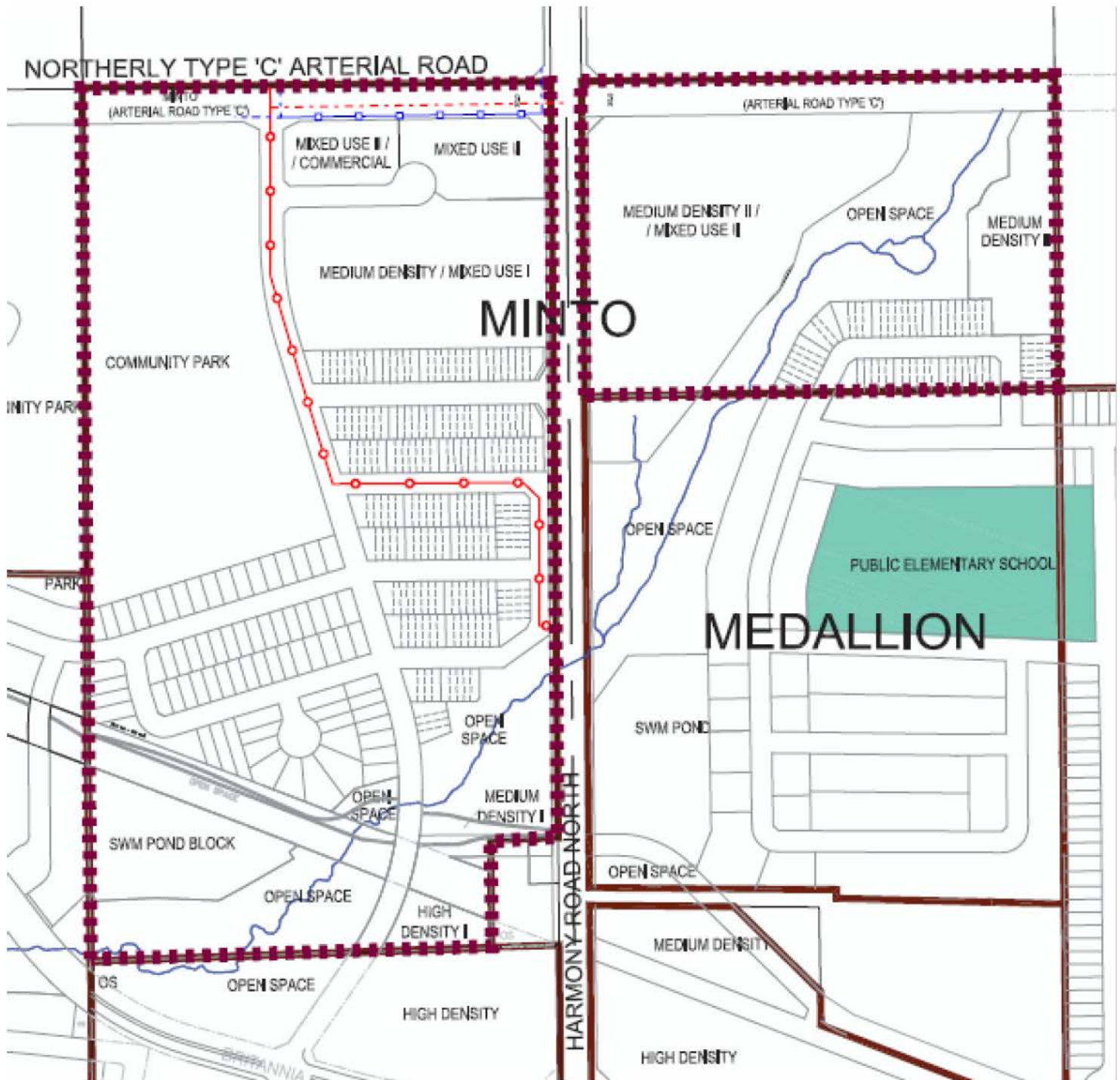
John Presta, P.Eng., MPA
Commissioner of Works

Recommended for Presentation to Committee

Original signed by:

Elaine C. Baxter-Trahair
Chief Administrative Officer

LOCATION PLAN



LEGEND

- 100% Region share sanitary sewer
- Oversizing sanitary sewer
- 100% Region share watermain
- 50% minimum size watermain
- Limit of Minto's property