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The Regional Municipality of Durham Report

To: Committee of the Whole
From: Commissioner of Works, Commissioner of Finance and Commissioner of Planning and Economic Development
Report: #2024-COW-41
Date: October 9, 2024

Subject:

Revision to the Seaton Phase 1 Regional Infrastructure Front-Ending Agreement to Enlarge the Phase 1 Prestige Employment Lands, to Allocate Additional Residential Units, and to Allow the Construction of a Seaton Phase 2 Region Constructed Water Supply Project as a Phase 1 Project

Recommendations:

That the Committee of the Whole recommends to Regional Council:

- A) That the Regional Municipality of Durham enters into an amending agreement to the Seaton Phase 1 Regional Infrastructure Front-Ending Agreement (Phase 1 RFEA) with the Seaton Landowners Group to:
- i) Enlarge the Phase 1 Prestige Employment Lands by 80 ha (196 acres) to accommodate the development of a proposed large water user in the food and beverage industry to be located on two parcels of land north and south of Highway 7 and west of North Road, and to set a revised total limit on all development within the Phase 1 Prestige Employment Lands area to 125 ha (310 acres);
 - ii) Redefine Phase 2 water supply project, Zone 5 Elevated Tank (WR6), as a Phase 1 Region Constructed Project; and,

- iii) Provide sanitary sewage and water supply system allocation for an additional 2,077 Single Detached Equivalent (SDE) residential units for a revised total limit of 11,877 SDE Units (original 9,800 SDE allocation plus recommended additional 2,077 SDE allocation).
 - B) That the Regional Chair and Regional Clerk be authorized to execute the above-noted amending agreement to the Phase 1 RFEA in a form satisfactory to the Regional Solicitor;
 - C) That Regional staff be authorized to negotiate and award a sole source agreement with WSP Canada Inc. for the provision of consulting engineering services related to the detailed design and contract administration of the Zone 5 Elevated Tank;
 - D) That the Commissioner of Finance be authorized to execute the necessary documents related to the sole source agreement; and,
 - E) That a copy of this report be provided to the City of Pickering.
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Report:**1. Purpose**

- 1.1 The purpose of this report is to seek Regional Municipality of Durham (Region) Council approval to enter into an amending agreement with the Seaton Landowners Group to allow for the expansion of the Phase 1 Prestige Employment Lands to provide sanitary sewer and water systems allocation for additional residential units and to allow the construction of a Seaton Phase 2 Region Constructed Water Supply Project as a Phase 1 Project.
- 1.2 This report further seeks Regional Council approval to negotiate and award a sole source agreement with WSP Canada Inc. for the provision of consulting engineering services related to the detailed design and contract administration of the Zone 5 Elevated Tank.

2. Background

- 2.1 In November 2015, the Region and the Seaton Landowners Group, which includes the Province of Ontario as a landowner, executed the Phase 1 Regional Front Ending Agreement (RFEA) for Seaton. The Phase 1 RFEA contains terms relating to the financing and construction of the Regional infrastructure required

to service 9,800 Single Detached Equivalent (SDE) residential units and 200 acres (81 hectares) of Prestige Employment Lands. As part of the financial arrangements, the Region also implemented complimentary Seaton Area Specific Development Charges for Water Supply and Sanitary Sewerage, which apply only to the Seaton lands.

- 2.2 Three (3) amending agreements to the Phase 1 RFEA have been executed to date. The amending agreements have addressed the following:
- The first amending agreement added lands for a food manufacturing campus on the west side of Whites Road to the Phase 1 Prestige Employment Lands but limited the maximum development within the Phase 1 Prestige Employment Lands to the original 200 acres.
 - The second amending agreement permitted the design and construction of Phase 2 sanitary sewer (SL5) needed to service the food manufacturing campus to be considered a Phase 1 Landowner Constructed Work under the Phase 1 RFEA.
 - The third amending agreement allowed the Landowners Group to commence the design of five Phase 2 Landowner Constructed Projects, with the terms related to cost recovery through Development Charge (DC) credits to be set out in a future Phase 2 RFEA.
- 2.3 The Landowners Group has requested a Phase 2 Front-Ending Agreement, which will include all remaining Seaton lands for which negotiations are underway.
- 2.4 The City of Pickering has identified a significant employer wishing to secure 196 acres in northwest Seaton, outside of the Phase 1 Prestige Employment lands, and is seeking the Region's assistance in facilitating the servicing of the lands. Please see Attachment #1.
- 2.5 The City of Pickering has indicated that servicing the lands as soon as possible is critical to securing this significant employer. Since the Phase 2 agreement is unlikely to be finalized in the short term, it is best to proceed with a fourth amending agreement.

3. Regional Infrastructure

- 3.1 The proposed employer is in the food and beverage industry and consequently has very high water supply demands, but only typical employment use sewage servicing requirements.
- 3.2 Sanitary sewer services can be provided by a private pumping station discharging into the sanitary sewer (SL5) being constructed through the second amending agreement described above. The Zone 5 Elevated Tank (WR6) needs to be constructed for water supply, a Phase 2 project in the Seaton Phase 1 RFEA. The proposed employer must fund, design and construct the local watermains extended to the subject land.
- 3.3 There are two approaches to Regional infrastructure projects in Seaton: projects designed and constructed by the Landowners Group, which are primarily linear sewer, water and road projects, and Region constructed projects, which are primarily vertical plant projects. Both types of Regional infrastructure projects require Regional approval of the detailed design prior to construction and inspection during construction to ensure compliance with Regional standards. The proposed amending agreement would redefine the Zone 5 Elevated Tank (WR6) as a Phase 1 Region Constructed Project. This project would then be subject to all the terms and conditions of the Phase 1 RFEA.
- 3.4 The construction of WR6 would allow the proposed employer to develop as part of the Phase 1 Prestige Employment Lands.
- 3.5 The Phase 1 RFEA allocates sanitary sewer and water supply system capacity to 9,800 SDE residential units and 200 acres of Prestige Employment Land. Approximately 114 acres of Prestige Employment Lands are either already developed or in the process of development. These lands have all been allocated capacity in the system. Since the new employer requires the development of 196 acres of land, the minimum amount of Phase 1 Prestige Employment Lands requiring allocation must be increased to 310 acres.
- 3.6 The 9,800 SDE residential units provided with allocation through the Phase 1 RFEA were to be located within an identified Phase 1 residential land area. The boundary of this residential land area was determined to allow for the approval of complete draft plans of subdivisions and to accommodate flexibility in each Landowner's building program within those draft plans of subdivisions. The result

of this process is that 2,077 additional SDE residential units can fit within the Phase 1 geographic boundary.

- 3.7 Approximately half of the original 9,800 SDEs are already, or soon will be, included in subdivision agreements. A couple of the individual residential landowners are also approaching the limits of their share of the 9,800 SDEs, as distributed by the Phase 1 RFEA Trustee, and are seeking additional allocation.
- 3.8 To agree to sign the amending agreement to allow this significant employment use to proceed, the residential landowners have requested to be provided with the additional 2,077 SDEs capable of being serviced by the infrastructure constructed as part of the Phase 1 RFEA (for a total of 11,877 SDEs), most of which is located within the Phase 1 geographic boundary.

4. Financial Implications

- 4.1 There are no additional capital costs to the Region for this proposed project as the Zone 5 Elevated Tank will be 100 per cent funded by the Seaton Landowners, and the remainder of the required services are local to be financed, designed, and constructed by the end-user.
- 4.2 Funds supplied by the Landowners Group for the Region to complete this project will be entitled to Seaton Area-Specific development charge credits in keeping with the Seaton Phase 1 RFEA.
- 4.3 Section 7.2 of the Region's Purchasing By-law permits the sole sourcing of goods and services under specific circumstances, including where a change of supplier is not recommended due to compatibility/continuity concerns and cost impacts.
- 4.4 The Region's Purchasing By-Law also requires Regional Council approval for any negotiated purchases of \$100,000 and greater in value.
- 4.5 WSP Canada Inc. (WSP) completed the Central Pickering Development Plan Class Environmental Assessment for Regional Services. WSP was subsequently retained through a competitive bid process to complete the detailed design for the Zone 4 Reservoir and Zone 5 Pumping Station located on the same property as the proposed Zone 5 Elevated Tank. Given its extensive background on the development of Seaton lands, specifically the Zone 5 Elevated Tank site and related infrastructure, WSP has a fulsome understanding of the project. This includes the considerations and restrictions related to the future development of

the adjacent Federal Lands and how the Zone 5 Elevated Tank will be integrated with the existing pumping station. For another engineering firm to generate design drawings and to gain a complete understanding of the same area, efforts already undertaken by WSP will be duplicated, thereby detrimentally affecting the project budget and schedule. It is estimated that a design and contract administration assignment would be approximately \$1,600,000.

- 4.6 Using WSP Canada Inc. will ensure the Regional work is carried out efficiently while mitigating coordination risks and delays to the project. WSP has completed multiple projects of a similar nature in the past and is qualified to complete the assignment successfully.

5. Previous Reports and Decisions

- 5.1 Report #2015-J-25: Proposed Regional Front-Ending Agreement and Related Agreements for the Development of the Seaton Community in the City of Pickering.
- 5.2 Report #2019-W-62: Seaton Phase 1 Regional Infrastructure Front-Ending Agreement – Amendment Agreement.
- 5.3 Report #2021-COW-6: Seaton Phase 2 Regional Front-Ending Agreement – Regional Objectives and Commencement of Negotiations.
- 5.4 Report #2022-COW-17: Revisions to the Seaton Phase 1 Regional Infrastructure Front-Ending Agreement.
- 5.5 Report #2023-COW-10: Revisions to the Seaton Phase 1 Regional Infrastructure Front-Ending Agreement to allow the Construction of a Phase 2 Landowner Constructed Project

6. Relationship to Strategic Plan

- 6.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:
- a. Goal 3 – Economic Prosperity
 - To build a strong and resilient economy that maximizes opportunities for business and employment growth, innovation, and partnership.

7. Conclusion

- 7.1 It is recommended that approval be provided for an amending agreement with the Seaton Landowners Group to i) redefine a Phase 2 water supply project, the Zone 5 Elevated Tank (WR6), as a Phase 1 Region Constructed Project, ii) to provide sanitary sewage and water supply system allocation for an additional 2,077 SDE residential units, and iii) to expand the Phase1 Prestige Employment Lands by 196 acres, while limiting the total development within the expanded Phase 1 Prestige Employment Lands to 310 acres, subject to the terms and conditions of the Seaton Phase 1 Regional Front-Ending Agreement and the Region incurring no additional financial costs. The final wording of the amending agreement shall be to the satisfaction of the Regional Solicitor.
- 7.2 It is further recommended that staff be authorized to negotiate and enter into a sole source agreement with WSP Canada Inc. for the provision of consulting engineering services related to the detailed design and contract administration of the Zone 5 Elevated Tank.
- 7.3 This report has been reviewed by Legal Services – Office of the CAO.
- 7.4 For additional information, contact Paul Gillespie, Manager, Development Approvals, at 905-668-7711 extension 3443.

8. Attachments

8.1 Attachment #1: Location Plan

Respectfully submitted,

Original signed by:

Ramesh Jagannathan, MBA, M.Eng., P.Eng., PTOE
Commissioner of Works

Original signed by:

Nancy Taylor, BBA, CPA, CA
Commissioner of Finance

Original signed by:





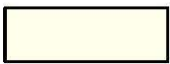



Brian Bridgeman, MCIP, RPP, PLE
Commissioner of Planning and
Economic Development

Recommended for Presentation to Committee

Original signed by:

Elaine C. Baxter-Trahair
Chief Administrative Officer

LEGEND:

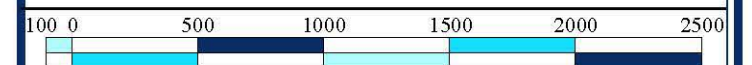
-  PHASE 1 LIVING AREAS
-  FUTURE PHASE(S) LIVING AREAS
-  PHASE 1 PRESTIGE EMPLOYMENT AREAS
-  FUTURE PHASE(S) PRESTIGE EMPLOYMENT AREAS
-  NATURAL HERITAGE SYSTEM
-  HAMLET OPEN SPACE
-  WHITEVALE GOLF COURSE
-  SEATON BOUNDARY

*NOTE: LAYOUT IS SCHEMATIC ONLY, DETAILS TO BE PROVIDED AT DETAILED DESIGN STAGE.

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**NORTH PICKERING
 COMMUNITY**

SCHEDULE "L"



DESIGNED BY: S.E.M.	CHECKED BY: J.L.B.
SCALE: 1:30000	DATE: JULY 2024
PROJECT No: 1682	FIGURE No: SCHL-1

