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Planning and Economic Development  
City of London  
300 Dufferin Ave  
London, ON

June 9, 2023

Attention: Scott Mathers, Deputy City Manager, Planning & Economic Development

**RE: 2024 GMIS Request – Amendments to 2024 Planned Kilally Road CSRF works**

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On May 29<sup>th</sup>, 2023, City of London Staff presented a draft of the 2024 GMIS program. One of the highlights was the deferral of the Kilally Water project (DC ID DC14WD0040) to 2024. Additionally, Sifton's previous request for the inclusion of a sanitary trunk sewer to the water project was also deferred for further discussion between the City of London and local landowners/developers. This letter is intended to provide further background on the need for the sanitary trunk sewer to be included in the 2024 GMIS program and provide multiple options on a path forward.

There are estimates of a 1 million+ population growth in Canada in 2022, with the London region positioning itself for accelerated population growth in the immediate term. However, the 47,000-unit growth target adopted by the City of London is based on 2021 census and not current population. Sifton anticipates needing more units, faster, than the 10-year target once the market recovers later this year.

Sifton has no current available single-family inventory in registered plans in London at this time. Demand continues to far outstrip the municipal timelines for new supply. Our proposed Caverhill East Draft Plan is Sifton's NUMBER ONE PRIORITY in 2024 to bring forward much needed single and multi-family residential homes to North-east London. We request an urgent appeal to yourself and Council to facilitate not just a water, storm servicing and road improvements to Kilally Road in 2024, but the required sanitary sewer as well. This planned 2024 project should be deferred in their entirety unless a sanitary sewer outlet is provided for our project in 2024. The works are constructed to allow for new growth to commence. But no new growth can occur unless a sanitary outlet also exists.

Sifton understands there is an upcoming Council agenda item to defer a new Development Charge Background Study until 2028. This means upcoming draft plan approved sites and those under consideration may not have discrete projects identified in the current DC Background Study. The GMIS system needs to be more fluid and flexible in response to a Growth Servicing Plan that lacks correlation





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**to current growth targets and market conditions. GMIS must adapt to market and developer needs to ensure fully serviced lands.** The DCRF will continue to increase at current or accelerating rates and new spending must be added to the GMIS to keep fund surpluses at acceptable levels. As of end of 2022, DCRF balance sits at nearly \$325 million with a surplus of \$45 million. Sifton is optimistic that the GMIS update process is well positioned to adapt and allocate DC funds in a responsible, growth-driven manner.

With respect to Sifton's developments and property interests, Sifton has two subdivision developments straddling the Veteran's Memorial Parkway and Kilally Road intersection that will benefit from this project, including the required sanitary sewer outlet for all lands. Please refer to the provided presentation for further details on these proposed developments.

Currently, only the Caverhill East site is planned to be provided with sanitary servicing via a pump station and forcemain. The pump station will serve approximately 600 new units of varying density and has a construction cost of \$5.72 million (estimated by AECOM, 2022). Considering the most current Growth Wastewater Servicing Plan and the status of other development along Kilally, the pump station will be required to be operational well beyond a 10-year period and would be considered a permanent solution. **Thus, claimable and eligible for reimbursement under the Development Charges By-Law.**

Sifton retained Stantec to investigate the validity of a gravity sewer profile that could serve all properties along Kilally Road from VMP to Sanford Street. Please refer to the provided report by Stantec. Stantec confirmed the profile and sizing of a gravity sewer solution that provides sanitary servicing to a potential 8,500 new units with a construction cost of \$1.37 million (estimated by Stantec, 2023). The area served is upwards of 175 hectares and the unit estimate is based on known development submissions or an average density of 50 units per hectare.

Clearly, the sanitary gravity sewer is the most efficient use of development charge funds and can further be optimized by inclusion of the sanitary sewer into the 2023 planned water service project along Kilally Road (DC ID DC14WD0040). **If the sanitary sewer is not added to the scope of work along Kilally Road, in Sifton's opinion, the future stormwater management facilities Kilally South, East Basin SWM 2 (2026) and Kilally South, East Basin SWM 3 (2031) become wasted effort as the land's tributary to these SWM ponds will not have sanitary servicing and thus will not be developable.** The total estimated costs for the two SWM ponds exceed \$8.21 million (2023 GMIS).

The 2019 One Water Development Charge Update Study, specifically the 2019-2038 Growth Wastewater Servicing Plan, planned for this area to receive sanitary servicing through an internal sewer oversizing credit (City Project Number ES5254, Trunk Sewer ID KL2A) with total estimated costs of \$186,781. Given the number of properties between the currently developed land to the West and the



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Caverhill sites, Sifton estimates a minimum 10-15-year delay in servicing the Caverhill lands if internal sewer oversizing remained the approach. As part of the above-mentioned report from Stantec, a current and more detailed estimate on the sanitary sewer oversizing subsidy credit was provided and concluded that the 2023 estimated credit is \$759,599. A large difference than the 2019 One Water Study and begins to push toward the estimate for the gravity trunk sewer construction. This further validates the gravity sanitary sewer as the most prudent approach.

After the presentation of the Draft 2024 GMIS Update, City of London Staff expressed reasoning for the deferral of the Kilally Water project and need for further discussion centered around the need for the trunk sewer to cross through lands known as Edgevalley Subdivision Phase 2 currently owned by Drewlo, refer to internal servicing drawing by MTE. It is Sifton's understanding there has not been an accepted draft plan of subdivision application for Edgevalley Phase 2, however the necessary reports to support an application are underway. **The adjacent subdivision to the West, known as Edgevalley Phase 1, includes a sanitary trunk sewer with capacity to support a population of 26,785 and is the intended outlet for lands along Kilally Road, refer to as-built sanitary area plan by MTE. Sifton requires the City of London's urgent assistance to facilitate access to this sanitary sewer to enable our 2024 timelines.**

Recognizing the need for a strategy to connect a sewer from the Kilally Road right of way to the outlet at the Northeast limit of Edgevalley Phase 1 and to allow upstream development along with the construction of the Kilally sanitary trunk sewer to proceed, Sifton offers the following options:

1. Edgevalley Phase 2 draft plan of subdivision application and subsequent subdivision agreement progresses in a timely manner and coincides with the construction of the trunk sewer along Kilally.
2. The trunk sewer along Kilally is temporarily capped adjacent to the anticipated roadwork internal to Edgevalley Phase 2. Upstream development applications and approvals can proceed with conditions to limit sanitary service connections until the trunk sewer extension through Edgevalley Phase 2 is complete.
3. Sifton and/or the City of London to negotiate with the landowner of Edgevalley Phase 2 to allow the construction of the trunk sewer extension prior to advancement of a draft plan of subdivision application on the subject lands.
4. The City of London facilitates an easement through Edgevalley Phase 2 to enable the construction of the trunk sewer extension prior to advancement of a draft plan of subdivision application on the subject lands.



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**With the above technical and economic justification as well as the multiple paths forward presented, Sifton requests the sanitary trunk sewer be added to the 2024 GMIS update to allow detailed design to commence immediately and construction of the Kilally Road project to be complete in 2024.**

We appreciate and thank you for your time and consideration regarding these matters and look forward to working together to develop the City of London in a responsible and timely manner.

Yours truly,

**Sifton Properties Limited**

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**Phillip Masschelein**

Senior Vice President

Neighbourhood Developments

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**Justin Diotte, P.Eng.**

Manager, Engineering

Neighbourhood Developments

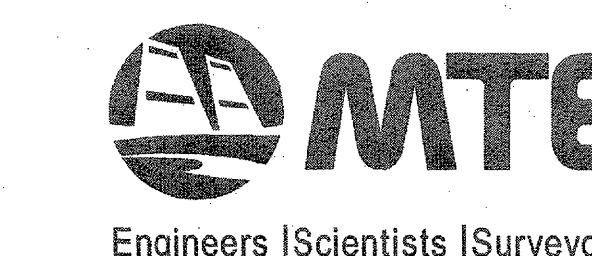
Cc: Travis Macbeth, Planning & Economic Development

A large, semi-transparent watermark-style logo for Sifton, featuring the word "Sifton" in a bold, sans-serif font.

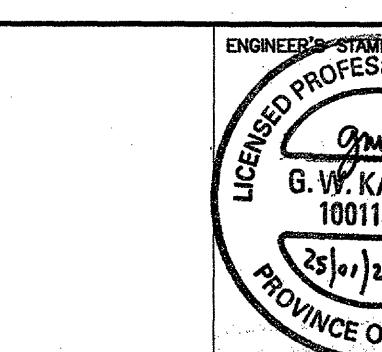
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DREWLO HOLDINGS INC.**

# INTERNAL SANITARY NORTH DRAINAGE PL

	PROJECT No.
RECEIVED BY JAN 25 2018 City of London Development Services	42024-104 SHEET No. SA1.1 PLAN FILE No.

