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<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON DECEMBER 16, 2014</b>
<b>FROM:</b>	<b>EDWARD SOLDO, P. ENG. DIRECTOR, ROADS AND TRANSPORTATION</b>
<b>SUBJECT:</b>	<b>MUD CREEK EAST ENVIRONMENTAL ASSESSMENT: OWNER REIMBURSEMENT</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Director, Roads and Transportation, the following actions **BE TAKEN** in respect to the Mud Creek East Environmental Assessment project:

- (a) the engineering consulting fee claim submitted by Sam Katz Holdings in the amount of \$50,057.84 (including applicable taxes) **BE REIMBURSED**;
- (b) the engineering consulting fee claim submitted by Old Oak Properties in the amount of \$104,776.17 (including applicable taxes) **BE REIMBURSED**; and
- (c) the financing for these fees **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix 'A'.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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Civic Works Committee - August 25, 2014 - Mud Creek Municipal Class Environmental Assessment

Environment and Transportation Committee - September 24, 2007 - Appointment of Consulting Engineer for Municipal Class Environmental Assessment Study for Storm/Drainage and Stormwater Management Servicing Works for Mud Creek East Drainage Area

<b>BACKGROUND</b>
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**Purpose**

This report seeks Council approval to reimburse the Mud Creek East landowners that contributed to the "Municipal Class Environmental Assessment Study for Storm/Drainage and Stormwater Management Servicing Works for Mud Creek East Drainage Area".

**Context**

The Mud Creek East lands are located within the easterly portion of the Mud Creek Subwatershed Area within the west central portion of London and comprise approximately 360 hectares (ha). The City of London and the area land owners undertook as co-proponents an Environmental Assessment (EA) study for the Mud Creek East Area in 2007. The City entered into an agreement with Old Oak Properties to fund the work with the expectation that the work would be ultimately claimable from the Urban Works Reserve Fund. Funding was provided to the City and the City administered the environmental assessment project. The City paid invoices related to the project in the amount totaling \$182,185.94 including applicable taxes.

Since the time the project was initiated, there have been substantial changes to the funding of growth related stormwater infrastructure. The following section discusses the rationale for reimbursing the land owners from the City Services Reserve Fund.

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**DISCUSSION**

The purpose of the Mud Creek East Municipal Class Environmental Assessment study was to evaluate alternatives to address existing flooding problems and provide stormwater servicing for future land development. The project was funded through contributions by various landowners with the expectation that the work would be ultimately claimable from the Urban Works Reserve Fund. Appendix 'B' "East Mud Creek Environmental Assessment Owner Letter" dated August 14, 2007 requested that the City initiate the Environmental Assessment and outlines that 85.3% of the Environmental Assessment Study costs would be claimable from the Urban Works Reserve Fund. Following the submission of this letter, four parties provided funding to the City. The City administered the Environmental Assessment Study and directed the engineering consultant (Development Engineering Ltd). The City paid invoices in the amount of \$182,185.94 including applicable taxes.

**Subsequent Studies**

At the conclusion of the Mud Creek East Environmental Assessment study, it became apparent that the recommendations included in the 1995 Mud Creek Subwatershed Study needed to be updated. As such, the Mud Creek Subwatershed Study Update (Water Resources Components) was initiated in accordance with the Council resolution on July 25, 2011. The study reflected the substantial land use changes in the area and incorporated an analysis of the implications of the effects of climate change. The subwatershed study did not meet the requirements of the Environmental Assessment Process for a Master Plan and as such a separate Environmental Assessment study was initiated.

The Mud Creek Municipal Class Environmental Assessment was assigned to CH2MHill Canada Limited in 2014 and will apply a holistic approach that will consider the entire subwatershed area. The first public information session took place November 20<sup>th</sup>, 2014. The Mud Creek Municipal Class Environmental Assessment is scheduled to conclude during the summer of 2015.

The Mud Creek East Environmental Assessment work completed by Development Engineering (London) has served as background information for both the Mud Creek Subwatershed Update and the Mud Creek Municipal Class Environmental Assessment currently underway.

**Pre August 2009 Urban Works Reserve Fund "Transitional Projects"**

Several stormwater management facility projects that began prior to the enactment of the 2009 Development Charges by-law were subsequently transferred from the Developer's responsibility to the City's responsibility. These works have been referred to in previous committee reports as "Transitional Projects". As the funding for these projects shifted from the Urban Works Reserve Fund to the City Services Reserve Fund, It is recommended that the payments for these Developer led works be financed from both the City Services Reserve Fund and a sewer rate supported capital account. Costs associated with the components of the Mud Creek East Environmental Assessment study used for background information for subsequent studies were allocated to the City Services Reserve Fund while the remaining costs were allocated to the sewer rate supported capital account.

**CONCLUSIONS**

Based on the changes undertaken as part of the 2009 Development Charges Bylaw, it is recommended that area land owners be reimbursed from the City Services Reserve Fund in the total amount of \$154,834.00, which represents 85.3% of their original contributions.

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<b>PREPARED BY:</b>	<b>RECOMMENDED BY:</b>
<b>SCOTT MATHERS, P.ENG, MPA DIVISION MANAGER, STORMWATER MANAGEMENT</b>	<b>EDWARD SOLDI, P.ENG. DIRECTOR, ROADS AND TRANSPORTATION</b>
<b>REVIEWED AND CONCURRED BY:</b>	
<b>JOHN BRAAM, P.ENG. MANAGING DIRECTOR, ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</b>	

December 10, 2014

Attach: Appendix 'A' - Source of Financing  
Appendix 'B' - "East Mud Creek Environmental Assessment Owner Letter"

C.c. Peter Christiaans – Development Finance  
Pat Shack – Budget Analyst

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