

Report to Planning and Environment Committee

To: Chair and Members
Planning & Environment Committee

From: George Kotsifas
Managing Director, Development and Compliance Services
and Chief Building Official

Subject: City Services Reserve Fund Claimable Works for the SS15A
Southwest Area Trunk Sewer

Date: September 10, 2018

Recommendation

That, on the recommendation of the Managing Director, Development and Compliance Services and Chief Building Official, the following actions **BE TAKEN** with respect to the subdivision agreement between The Corporation of the City of London and Colonel Talbot Developments Inc. (Auburn Developments) for construction of the SS15A Southwest Area Trunk Sewer within the Hunt Lands Subdivision;

- (a) the revised Special Provisions contained in the Subdivision Agreement for construction of the SS15A Southwest Area Trunk Sewer within the Hunt Lands Subdivision (39T-12503) outlined in Section 2.0 below, **BE APPROVED**;
- (b) the financing for this project **BE APPROVED** as set out in the Source of Financing Report attached as Appendix "A".

Previous Reports Pertinent to this Matter

Planning and Environment Committee, December 4, 2017, Agenda Item 9, Subdivision Special Provisions Applicant: Colonel Talbot Developments Inc. Hunt Lands Subdivision 39T-12503

Commentary

1.0 Background

The special provisions for the Hunt Lands Subdivision Agreement between the Corporation of the City of London and Colonel Talbot Developments Inc. (Auburn Developments) were approved by Council on December 12, 2017. Under this agreement, the Owner is to construct Stage 1 of the Southwest Area Trunk Sanitary Sewer SS15A (DC14-WW00005) which crosses through the subdivision, services the neighbouring W3 Lambeth Farms Subdivision to the north and will provide an outlet for the Colonel Talbot Pump Station.

The committed funding associated with these works was based on preliminary engineering design estimates that were included in the special provisions of the Subdivision Agreement. However, subsequent discussions between the Owner's Consulting Engineer and Staff have resulted in design modifications for the construction of the sanitary trunk sewer. The purpose of this report is to seek authorization to amend the special provisions of the Subdivision Agreement and Source of Financing to align with the revised sanitary trunk sewer design.

The construction of the revised design of the sanitary trunk sewer has been procured in accordance with the 2014 Development Charges By-law. As a result of the change in scope between the preliminary design and final design, the tendered costs increased relative to the preliminary design estimates. The majority of additional costs are related to grading of the area in order to accommodate the shallower trunk sewer depth. Through discussions between Staff and the Owner's Consulting Engineer, these beneficial changes in design allow for improved operation and maintenance which translate into reduced costs over the long-term.

Tendered construction costs associated with the final design to accommodate shallower sewer depth are estimated at an additional \$670,151 plus \$23,134 for engineering fees. The overall estimated cost per meter for construction of the SS15A Southwest Trunk Sanitary Sewer is in line with recent City constructed trunk sewer projects.

2.0 Revised Special Provisions

Staff is recommending that the Subdivision Agreement conditions related to development charges claimable works be amended as follows:

The anticipated reimbursements from the development charge Reserve Funds are:

- (i) for the construction of the SS15A CSRF sanitary trunk sewer, Stage 1, in conjunction with this Plan, at an estimated cost of which is \$1,827,121, excluding HST as per the accepted work plan;*
- (ii) for the engineering fees related to the design, construction and contract administration of SS15A CSRF sanitary trunk sewer, Stage 1, in conjunction with this Plan, the estimated cost of which is \$276,256, excluding HST, as per the accepted work plan;*
- (iii) for the engineering fees for the design of the SS15A CSRF sanitary trunk sewer, Stage 2, at an estimated cost of which is \$43,965, excluding HST, as per the accepted work plan;*
- (iv) for the construction of eligible storm sewers in conjunction with the Plan, subsidized at an estimated cost of which is \$49,195;*

3.0 Conclusion

The tendered costs outlined above for the construction of the SS15A Southwest Area Trunk Sanitary Sewer have been validated and are eligible works under the 2014 Development Charges By-law.

Staff are recommending that Council approve the revised special provisions and the attached Source of Financing in Appendix 'A' to enable construction and eventual claim payment to Colonel Talbot Developments Inc.

Prepared by:	Jason Senese, CGA, CPA, MBA Manager, Development Finance
Concurred in by:	Paul Yeoman, RPP, PLE Director, Development Finance
Recommended by:	George Kotsifas, P. Eng. Managing Director, Development and Compliance Services and Chief Building Official

Cc.: Jason Davies, Manager, Financial Planning & Policy,
Colonel Talbot Developments Inc. (Auburn Developments)

Appendix A – Source of Financing Report