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TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON DECEMBER 3, 2012
FROM:	EDWARD SOLDO, P.ENG. DIRECTOR ROADS AND TRANSPORTATION ENVIRONMENTAL AND ENGINEERING SERVICES
SUBJECT:	CONSTRUCTION TIMING OF STORMWATER MANAGEMENT FACILITIES

RECOMMENDATION

That, on the recommendation of the Director, Roads and Transportation, the following action **BE TAKEN** with respect to the construction timing of Stormwater Management (SWM) Facilities:

- (a) Old Victoria No. 2 SWM facility **BE CONSTRUCTED** in 2013 subject to land development approvals and acquisition of the land required for the facility;
- (b) Fox Hollow No. 1 SWM Facility south cell and woodlot berms **BE CONSTRUCTED** in 2013 subject to obtaining consent to access adjacent lands for the purposes of constructing the facility, land development approvals and amendment to the Certificate of Approval associated with the SWM facility that are required due to the adjustment in drainage areas to support the phasing of the facility; and
- (c) Old Oak No. 2 SWM facility **BE CONSTRUCTED** in 2013 subject to obtaining consent to access adjacent lands for the purposes of constructing the facility and land development approvals.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

June 19, 2012 – Report to the Civic Works Committee – Phasing of Stormwater Management Facilities

February 21, 2012 – Report to the Planning and Environment Committee – 2012-2016 Growth Management Implementation Strategy

February 6, 2012 – Report to the Planning and Environment Committee – 2012-2016 Growth Management Implementation Strategy'

BACKGROUND

Purpose:

This report provides Committee and Council with an update to the implementation schedule associated with the construction of SWM facilities. The implementation schedule was updated taking into account outstanding design issues, approvals processes and a review of the City's SWM revenue recoveries. It provides an update of the construction schedule for these SWM facilities and will result in a net positive impact on the state of the SWM City Services Reserve Fund debt situation.

Context:

The City approved the Development Charges (DC) by-law in August of 2009 and since that time has invested approximately \$21 M in the construction of SWM facilities and channel remediation works to support land developments in the Fox Hollow, Hyde Park, Stoney Creek, Sunningdale areas. The construction management by the City has resulted in a savings of \$2.0 M or 10% under the DC budget estimates.

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The GMIS 2013 Update report will be submitted at an upcoming Committee meeting and will discuss the current state of the SWM City Services Reserve Fund. Due to declining development charge fee revenues, the debt level in the SWM City Services Reserve Fund is not sustainable. Staff have committed to addressing this debt problem over the long term through the 2014 Development Charge Update Study Process. In order to improve the debt problem over the short term, the City has reviewed the schedule of several previously approved SWM facilities.

The construction of SWM facilities are intended to start within the year identified in the DC Study, GMIS and as directed by Council. In the June 19, 2012 report to the Civic Works Committee staff recommended the deferral of construction of the Fox Hollow No. 3, Fox Hollow No. 1 (north cell), Riverbend A, Riverbend G, and Riverbend F SWM facilities. The Old Victoria No. 2, Fox Hollow No. 1 (south cell and woodlot berms) and Old Oak No. 2 SWM facilities were expected to be constructed in 2012 (see Appendix A for location maps). This schedule is based on the assumption that the subdivisions that rely on the infrastructure and that generate the revenue required to offset debt related to interest costs, would progress immediately after the City construction project is complete.

In some cases, subdivisions do not proceed immediately after the construction and as a result, the City is incurring debt related to interest costs on the investment. For example, the City constructed a SWM facility at a cost of \$2.5 M and is incurring approximately \$0.5 M a year in interest costs while not receiving any revenue from the subdivision.

Discussion:

Old Victoria No. 2 SWM Facility

The functional design of the facility is complete with applications to agencies and land acquisition for the facility in the process of being secured. The detailed design of this facility is scheduled to be completed in early 2013 and the City is able to construct at the time it is required by the land development activities that is expected to be in 2013.

Fox Hollow No. 1 SWM Facility

Lands and approvals associated with the construction of the facility are secured. In February 2011, staff recommended that current development plans, via the GMIS, could be implemented while deferring considerable capital spending and provide savings in debt related interest costs by phasing stormwater management facilities. It was proposed that the facility be phased. In order to accommodate the recommended phasing plan, an amendment to the Certificate of Approval associated with the facility is required. The City is in consultation with the Ministry of the Environment and expects to issue the amendment application in early 2013 with the finalized detailed design. The City is able to construct at the time the facility is required by the land development activities, anticipated in 2013, subject to obtaining consent to access adjacent lands for the purposes of constructing the facility. It is noted that the principal development tributary to the SWM facility is currently under review with the Ontario Municipal Board.

Old Oak No. 2 SWM Facility

Lands and approvals associated with the construction of the facility are secured. The City is able to construct at the time the facility is required by the land development activities, anticipated in 2013, subject to obtaining consent to access adjacent lands for the purposes of constructing the facility.

In an effort to ensure that revenue from the City's investment in SWM facilities is secured to offset debt related to interest costs, staff recommends that the construction schedule of SWM facilities be updated. The deferrals proposed in this report have been incorporated into the financial analysis provided in the 2013 Growth Management Implementation Study (GMIS) Update report.

Conclusions:

An updated construction schedule for SWM facilities in conjunction with timing of land development activities ensures that revenue from the City's investment in SWM facilities may be secured, thereby reducing capital spending and providing savings in debt related to interest costs.




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Acknowledgements:

This report was prepared within the Stormwater Management Unit of Environmental Engineering Services by Billy Haklander, Environmental Services Engineer in consultation with Scott Mathers Manager, Development Finance.

SUBMITTED BY:	RECOMMENDED BY:
	
BERTA KRICKER, M.ENG., F.E.C., P.ENG. MANAGER OF STORMWATER STORMWATER MANAGEMENT UNIT	EDWARD SOLDO, P.ENG. DIRECTOR, ROADS AND TRANSPORTATION
REVIEWED & CONCURRED BY:	
	
JOHN BRAAM, P.ENG. MANAGING DIRECTOR ENVIRONMENTAL AND ENGINEERING SERVICES & CITY ENGINEER	

November 23, 2012

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Attach:

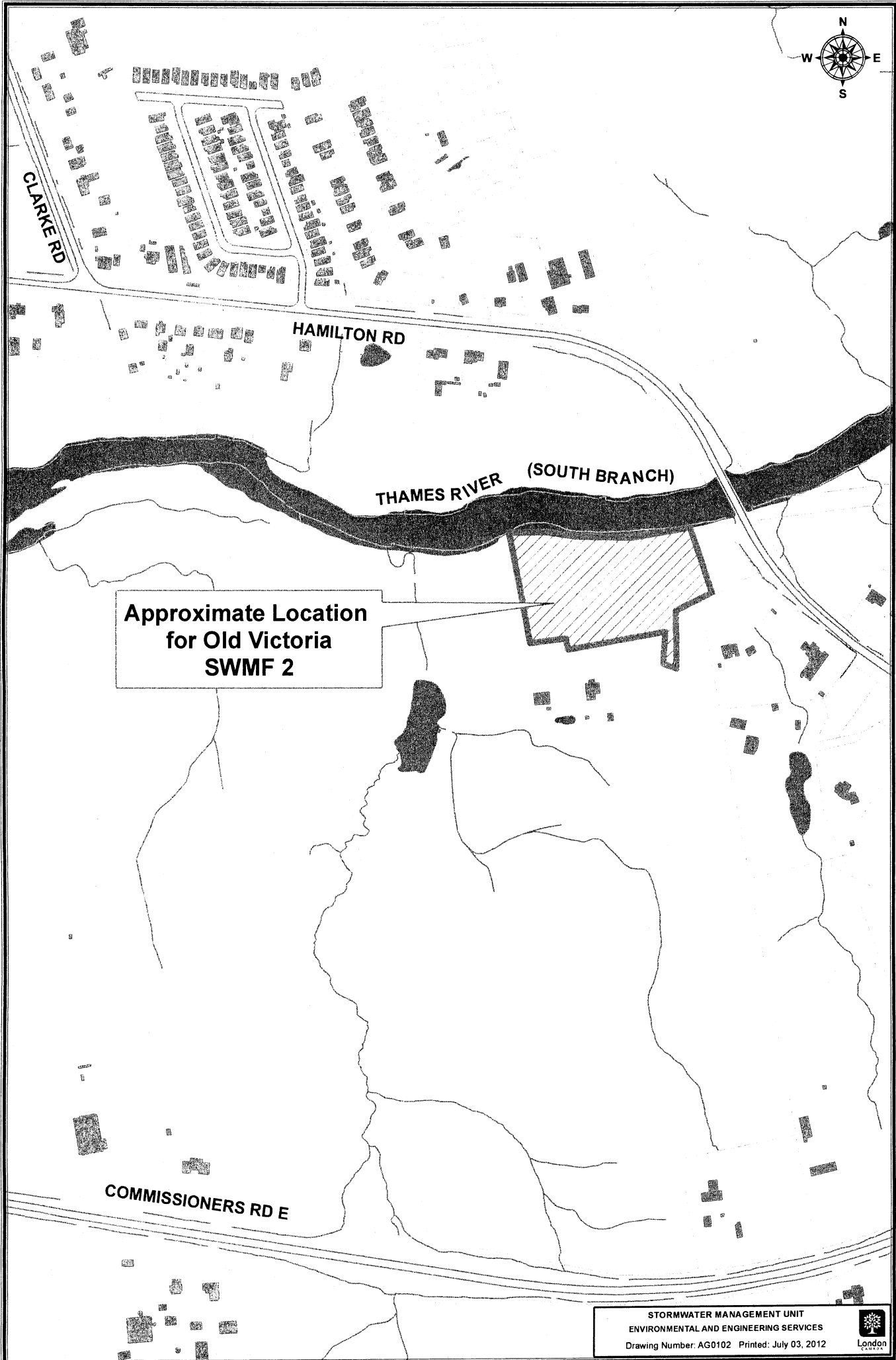
Cc: P. Christiaans, Director – Development Finance
S. Mathers – Manager, Development Finance

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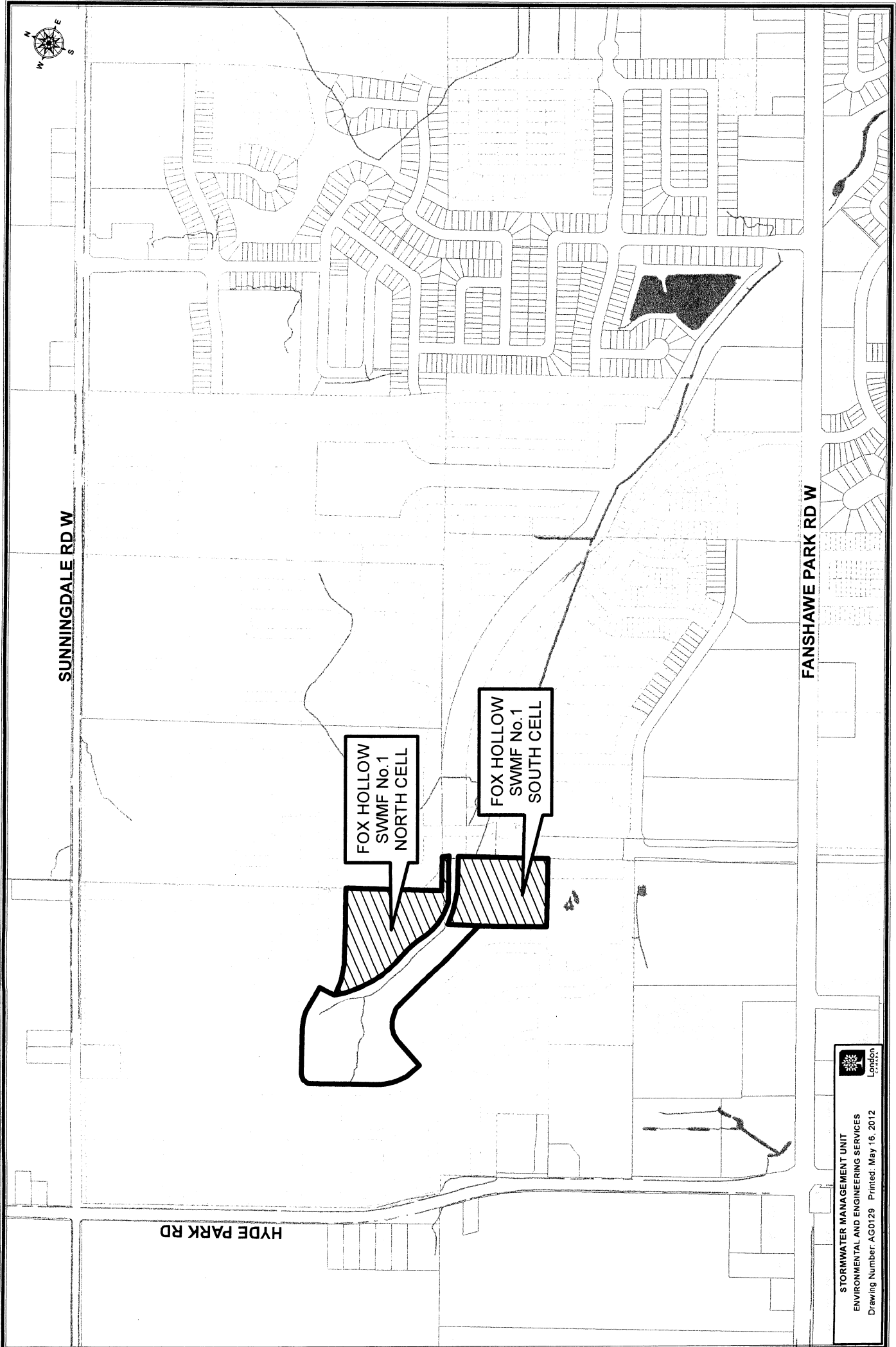
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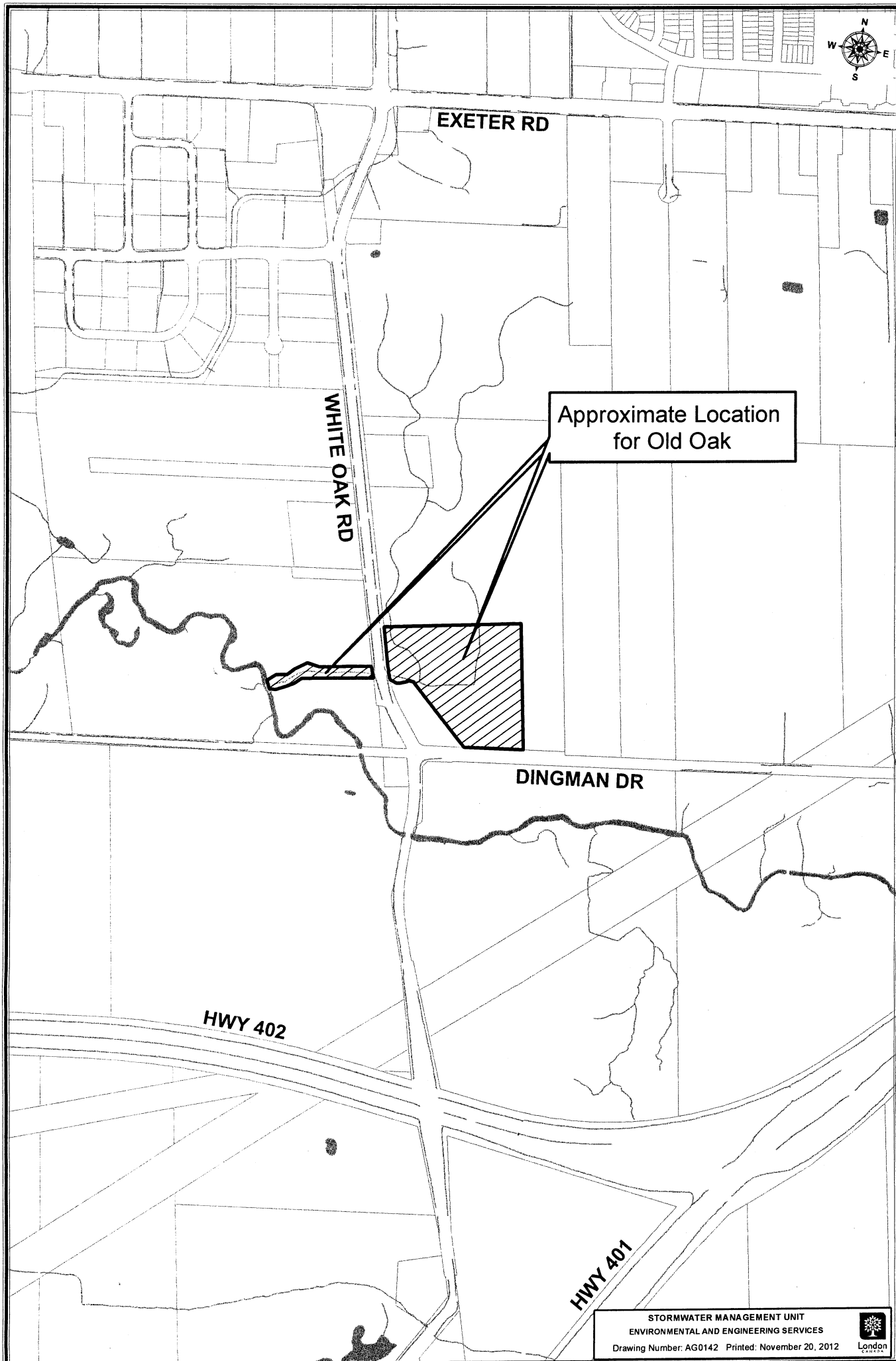
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APPENDIX 'A'



STORMWATER MANAGEMENT UNIT
ENVIRONMENTAL AND ENGINEERING SERVICES
Drawing Number: AG0129 Printed: May 16, 2012

APPENDIX 'A'



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