



**The Corporation of the City of Cornwall**  
**Regular Meeting of Council**  
**Report**

Department: Infrastructure and Municipal Works  
Division: Infrastructure Planning  
Report Number: 2020-314-Infrastructure and Municipal Works  
Prepared By: Michael Fawthrop, Division Manager  
Meeting Date: June 22, 2020  
Subject: Brookdale Avenue North – Sanitary Sewer Extension – Cost Recovery Study Update

**Purpose**

To provide Council with an update for the Brookdale Avenue North Sanitary Sewer Extension project and the proposed cost recovery fee structure.

**Recommendation**

- a. That Council receive Report 2020-314-IMW and the proposed 2020 Development Charges Background Study including the By-Law amendment for the Brookdale Avenue North Corridor.
- b. That Council direct Administration to proceed with updating the cost recovery fee structure for the Brookdale Avenue North Sanitary Sewer Extension project and make the 2020 Development Charges Background Study including the revised Area-Specific Development Charge By-Law available to the public.

**Financial Implications**

The City is responsible to finance the costs associated with the capital works until project completion. The City does not have the funds in Reserves to financially support the project and may need to borrow short-term through the construction period. The City will borrow the funds required for the construction based on the revised capital cost estimate.

Upon completion, the final capital cost of servicing the Brookdale Avenue North area will be calculated and apportioned to each benefitting property through the imposition of Municipal Act (MA) Capital Charges and Area-Specific Development Charges (DCs). The City is responsible for costs associated with the uncommitted reserve capacity in the system for future growth. The City plans to finance its share of the capital costs.

### **Strategic Priority Implications**

The project includes the expansion/extension of sanitary servicing along Brookdale Avenue North which addresses Economic Development and Pursuing Diverse Population Growth of 50,000: (4) Continue to Invest in Infrastructure and (5) Encourage Infill Projects (e.g. Brookdale Avenue).

The Economic Development Strategic Plan supports ongoing efforts to attract new commercial and retail development; specifically, the Brookdale Avenue North Corridor.

### **Background / Discussion**

The tender (19-T71) for the Brookdale Avenue North Sanitary Sewer Extension project was awarded to Louis W. Bray Construction Limited (L.W. Bray) at the February 10, 2020, Council meeting. The tender was awarded at a total bid price of \$10,774,033.60 including provisional items which has a net cost to the Corporation of \$9,702,350.96. In the event that a portion or all of the provisional items are not encountered during the course of construction, the respective items will be deleted from the total contract price.

The project involves the construction of the following to service the Brookdale Avenue North Corridor with sanitary sewer:

- New dual 250mm diameter (Ø) forcemain from Ninth Street West to Fourteenth Street West;
- New dual 250mm Ø forcemain from the proposed sanitary pumping station located northeast of the Canadian National (CN) railway and connecting to the existing twin 250mm Ø forcemain located at Tollgate Road West;
- New 450mm Ø gravity sanitary sewer from Tollgate Road West to the new sanitary pumping station located northeast of the CN railway;
- New sanitary pumping station including wet well, metering chamber, generator, access road, parking area, landscaping, etc., which is located northeast of the CN railway;

- Crossing of CN railway with new dual 250mm Ø forcemain and 450mm Ø gravity sanitary sewer using trenchless technologies;
- New 300mm Ø to 375mm Ø gravity sanitary sewer from the sanitary pumping station to the Highway 401 Corridor;
- New 250mm Ø gravity sanitary sewer from the south limits of the Highway 401 corridor to the north limits;
- Crossing of the Highway 401 on/off ramps and main highway with new 250mm Ø gravity sanitary sewer using trenchless technologies;
- New 250mm Ø gravity sanitary sewer from the north limits of the Highway 401 corridor to Cornwall Centre Road; and
- Roadway, ditch, boulevard, etc., reinstatement as required for the servicing of the corridor with sanitary sewer.

As noted above, the City proposed to recover the expansionary capital costs of servicing from benefitting properties within the servicing area through the imposition of MA Capital Charges and Area-Specific DCs. Properties with existing commercial development are to be charged a MA Capital Charge while vacant properties are to be charged an Area-Specific DC on future development. The costs of servicing the Brookdale Avenue North Lands were apportioned to the properties based on peak sanitary design flows and the respective cost recovery mechanism (MA Capital Charges versus Area-Specific DCs). The cost recovery calculations were prepared in late 2017 using an estimated total project cost of \$7M (Class 'D' estimate).

As noted in past Council Reports, the City retained Watson & Associates Economists Ltd. to update the cost recovery study based on the bid price received from L.W. Bray. The increase in project cost from the late-2017 Class 'D' estimate to the tender submission from L.W. Bray is primarily related to increasing the capacity of the system south of the proposed pumping station to accommodate the servicing of lands along Tollgate Road West in the future and a significant increase in construction costs in Eastern Ontario from 2017 to 2020 (greater than inflationary increases). Please refer to the attached memorandum prepared by Watson & Associates Economists Ltd. for the Brookdale Avenue North Sanitary Sewer Extension project. The attached memorandum summarizes the impacts of the increased capital project cost on the Area-Specific DC's and MA Capital Charges.

Based on the tender submission by L.W. Bray, the total construction cost to extend sanitary sewer along the Brookdale Avenue North Corridor (including capacity for Tollgate Road West and net HST) is \$9.7M. In addition to the total

construction cost, an additional \$1M is estimated for professional fees for items such as surveys, engineering design services, construction administration services, geotechnical services, materials testing, etc. Including the associated professional fees, the total capital cost based on the LW Bray bid price is \$10.7M.

In order to impose these charges, the City prepared a DC Update Study to amend the Brookdale Avenue North Corridor Area-Specific DC By-Law which was previously imposed and will enact a Capital Charge By-Law upon project completion.

Please refer to the process for amending the Area-Specific DC By-Law and MA Capital Charges By-Law below:

#### Brookdale North Area-Specific D.C. By-law

The process of amending the Brookdale Avenue North Area-Specific DC By-Law to reflect updated capital costs and scope of work will involve issuing a DC Update Study and amending the By-Law 60 days prior to By-Law passage and the holding of a public meeting of Council prior to By-Law passage. The amending By-Law will also address other DC By-Law policies (e.g. residential vs. non-residential by-law definitions).

#### Municipal Act Capital Charges Study and By-law

Subsequent to the final costs of construction being known, a report will be prepared summarizing the legislative background and calculation of the connection charges to be imposed on properties with existing development. A Report and By-Law will also address implementation policies, such as payment terms.

Additionally, the process and schedule for updating the Area-Specific DC By-Law and MA Capital Charge By-Law is more specifically delineated in the schedule attached, Schedule of Key Development Dates to Update the DC Bylaw, which outlines the process that has been taken to date and next steps.

The Cost Recovery Study Update, 2020 DC Background Study and associated By-Law was presented to the Brookdale Avenue North landowners on June 17, 2020.

The updated 2020 Development Charges Background Study which includes the proposed Area-Specific Development Charges By-Law for the Brookdale Avenue North Corridor is attached to the report. Sean-Michael Stephen from Watson will



be presenting at the June 22, 2020 regular meeting and will answer any questions Council may have on the updated DC Background Study and proposed Area-Specific DC By-Law. Following the Council Meeting, the 2020 DC Background Study and associated Area-Specific DC By-Law will be made available to the public by posting on the City's website for a minimum of 60 days prior to By-Law passage. The 2020 DC Background Study and associated By-Law will be posted to the City's website on June 23, 2020, as shown on attached schedule. As indicated on the attached tentative schedule, a Public Meeting of Council will be held on July 27, 2020, and Council will formally consider adoption of the 2020 DC Background Study Update and passage of the revised Brookdale Avenue North Corridor Area-Specific DC By-Law at the September 14, 2020, Council meeting.

Document Title:	Brookdale Ave. North - Cost Recovery Study Update - 2020-314-IMW.docx
Attachments:	- Schedule of Key Dates to update DC Bylaw.pdf - Brookdale Avenue North 2020 DC Background Study - Final.pdf
Final Approval Date:	Jun 16, 2020

This report and all of its attachments were approved and signed as outlined below:

**Bill de Wit - Jun 16, 2020 - 2:51 PM**

**Tracey Bailey - Jun 16, 2020 - 5:28 PM**

**Maureen Adams - Jun 16, 2020 - 8:05 PM**