



## **STRATFORD CITY COUNCIL ADDENDUM**

Adoption of Addendum to the Council Agenda:

Motion by

**THAT the Addendum to the Council Agenda, be adopted as printed to include the following:**

### **5.0 Report of the Committee of the Whole In-Camera Session:**

- 5.3 From the August 10, 2020 Session, under the Municipal Act, 2001, as amended, a matter concerning the following item was considered:

O'Loane Avenue Trunk Sanitary Sewer Extension Decision made on July 27, 2020

[Advice that is subject to solicitor-client privilege including communications necessary for that purpose (section 239.(2)(f))]

Motion by

**THAT Council reconsider the July 27, 2020 decision with respect to the O'Loane Avenue Trunk Sanitary Sewer Extension and the cancellation of Tender T2020-24 Asphalt Resurfacing 2020 – O'Loane Avenue.**

Motion by

**THAT pursuing front ending service agreements with interested developers and landowners for the O'Loane Avenue Trunk Sanitary Sewer Extension be filed.**

Motion by

**THAT Council approve the award of the Asphalt Resurfacing 2020 contract to Steve Smith Construction Corporation at a total tender price of \$1,875,748.36 including HST;**

**AND THAT Council approve an additional budget of \$60,000 from the Trails, Bike and Pedestrian Master Plan 2020 capital budget, \$340,000**

**from the remaining unallocated OCIF funds and \$50,000 from the Public Works Capital Reserve;**

**AND THAT the Mayor and City Clerk or their respective delegates be authorized to sign the necessary Contract Agreement.**

Motion by

**THAT By-law 10.6 be read a First and Second Time.**

Motion by

**THAT By-law 10.6 be read a Third Time and Finally Passed.**

10.6 Acceptance of Tender for 2020 Asphalt Resurfacing

To authorize the acceptance of a tender, execution of a contract and the undertaking of the work by Steve Smith Construction Corporation for 2020 Asphalt Resurfacing [T2020-24].

Attachment – Draft By-law 10.6

## MANAGEMENT REPORT

**Date:** July 27, 2020  
**To:** Mayor and Council  
**From:** Ed Dujlovic, Director of Infrastructure and Development Services  
**Report#:** COU20-121  
**Attachments:** City of Stratford - Northwest Residential Development

---

**Title:** O'Loane Avenue Trunk Sanitary Sewer Extension

**Objective:** To provide information to Council on the extension of the O'Loane Avenue trunk sanitary sewer in order for Council to provide direction on the construction of the trunk sanitary sewer extension and tender T2020-24 Asphalt Resurfacing 2020 – O'Loane Avenue.

**Background:** At the July 13, 2020 In-camera Council meeting, direction was given to staff to provide information on development in the northwest sector of the City and the potential need to advance the construction of the O'Loane Avenue trunk sanitary sewer.

The attached map illustrates the various development activity and inquiries with respect to residential development in the northwest sector of the City. The lands that are serviced and can be developed are outlined in red. The City has received development inquiries on lands that do not have services available and these lands are outlined in green.

The specifics for each area that has servicing in place are listed below:

- 576 O'Loane Avenue - Thames West (Bromberg Homes) is draft approved, engineering plans under review, planning on beginning servicing Fall 2020 – Spring 2021 (230 to 267 units).
- 525 O'Loane Avenue – still in planning stage, not draft approved, no engineering (61 units).
- 236 Britannia - (Bromberg Homes) – working on draft approval, should be coming to Council in the next couple of months (157 units).
- Coventry – Phase 4 draft approved, subdivision agreement to Council this month, servicing underway (177 units). They have an additional 388 units that are draft approved and have begun formal consultation for an additional 423 units.

- Countryside Phase 3 – draft approved, engineering submission under review (58 units).
- Countryside Phase 4 – draft approved (54 units).
- 4110 Perth Line 36 (Sifton) – draft approved, developer preparing to pre-grade this summer/fall, expecting engineering submission in next couple of months (181 units).
- 672 Mornington Street – formal consultation in 2019, no further submissions (59 units).
- Pol – securities need to be submitted in order to finalize the site plan and to allow for the issuance of the building permit (14 units).

The specifics for the development inquiries received for the lands that are not serviced are as follows:

- 1296 O'Loane Avenue – detailed and extensive inquiry and due diligence by consultant for a potential developer of the lands (123 units).
- 1113 O'Loane Avenue – proposal from developer submitted to City for servicing (117 units).
- 1114 O'Loane Avenue - 2017 inquiry regarding servicing.
- 4239 O'Loane Avenue – 2017 inquiry regarding servicing.
- 4192 Short Street - approximately 5 inquiries in the last 10 years regarding servicing of the lands.

Not shown on the plan, the City has also received a number of inquiries from a mixture of land owners and possible developers for lands from 750 to 930 O'Loane Avenue.

The current City Development Charges By-law was passed by Council in 2017 and will expire in 2022. Included in the background study, that identified projects to be financed by development charges, was the construction of the O'Loane Avenue trunk sanitary sewer from just south of Huron Street to Perth Line 36 (former Quinlan Road). Based on 2020 dollars, the cost for the construction of the sewer is approximately \$9,560,000 with funding being provided by the City of \$382,000, developer(s) contribution of \$1,905,000 with the balance of \$7,273,000 coming from development charges.

In 2017, the development charges background study identified the timing of the need for the trunk sanitary sewer would be in 2027. This is dependent on the development activity within the northwest sector of the City. In 2019, there was a significant decline in residential construction in this area as a result of serviced residential lots not being available. For 2020, the trend continues as a result of a lack of serviced residential lots and the negative impacts of the COVID-19 pandemic in getting servicing completed. As a result, the anticipated timing for the need of the trunk sanitary sewer is later than forecasted.

Currently, the development charge reserve for the sanitary portion sits at \$939,854.33. The recent construction of the Quinlan Road Pumping Station and pending land purchase will require a debenture of approximately \$4.15 million. The debenture payments will be financed through the Development Charges fund.

**Analysis:** As shown, there is a considerable amount of development activity in the northwest sector of the City, as well as interest from developers to develop lands that currently do not have servicing available. There are two developers along O'Loane Avenue that are very interested in proceeding with development of land in the near term. One of the developers has expressed an interest in entering into a front ending agreement with the City to pay a portion of the servicing costs required in order to develop the land that they have an interest in, as they see a strong need for future residential within the City.

The City and one or more landowners may enter into a front-ending agreement, as per the Development Charges Act, 1997 Part III Sections 44-58, which provides for the costs of a project which will benefit an area in the City to which the Development Charges By-law applies. Such an agreement can provide for the costs to be borne by one or more parties to the agreement who are, in turn, reimbursed in future by persons who develop land defined in the agreement.

Methods of construction of the trunk sanitary sewer would involve both open cut and micro tunneling. As the sewer is up to 9.0 meters in depth, the portions that are open cut would result in the complete removal of the existing road structure. Accordingly, if the City were to proceed with the extension of the trunk sanitary sewer then tender T2020-24 Asphalt Resurfacing 2020 – O'Loane Avenue, that closed on July 3, 2020, should be cancelled. This needs to be done so that the low bid contractor can pursue other work.

**Financial Impact:** As noted, the approximate cost for the O'Loane Avenue trunk sanitary has been estimated to be \$9,560,000. A detailed design would be required in order to determine a more accurate cost of the project.

As indicated, the majority of the funding for the sanitary sewer would be from developers and Development Charges. As there are not sufficient funds within the Development Charges reserve, borrowing would be required in order to construct the trunk sanitary sewer. Financing of the debt would come from the Development Charges fund, provided there are funds available. Any short fall would have to be covered by the City until additional funds are added. Any shortfalls covered by the City, can be recovered from the Development Charges fund. The amount of borrowing may be reduced if a front-ending agreement is entered into with one or more landowners.

The Development Charges By-law would have to be updated to take into account that it was not anticipated that the funds for the O'Loane trunk sanitary sewer would be financed. The financing costs would be a new expense to include. It is anticipated that the City may be required to make changes to the Development Charges By-law within the next 6 to 12 months as the Province has introduced Bill 197 COVID-19 Economic Recovery Act, 2020, which will result in changes to the Development Charges Act and the Planning Act (as per the Community Benefits Charge).

## **Alignment with Strategic Priorities:**

### **Developing our Resources**

Optimizing Stratford's physical assets and digital resources. Planning a sustainable future for Stratford's resources and environment.

### **Widening our Economic Opportunities**

Strengthening Stratford's economy by developing, attracting and retaining a diversity of businesses and talent.

#### **Option 1**

**Staff Recommendation: THAT the information in the report entitled O'Loane Avenue Trunk Sanitary Sewer Extension (COU20-121) be received and filed.**

#### **Option 2**

**THAT the information in the report entitled O'Loane Avenue Trunk Sanitary Sewer Extension (COU20-121) be received;**

**THAT City staff meet with interested developers/landowners to discuss front-ending service agreements for the construction of servicing on O'Loane Avenue to allow for additional lands to develop;**

**AND THAT tender T2020-24 Asphalt Resurfacing 2020 – O'Loane Avenue be cancelled.**



---

Ed Dujlovic, Director of Infrastructure and Development Services

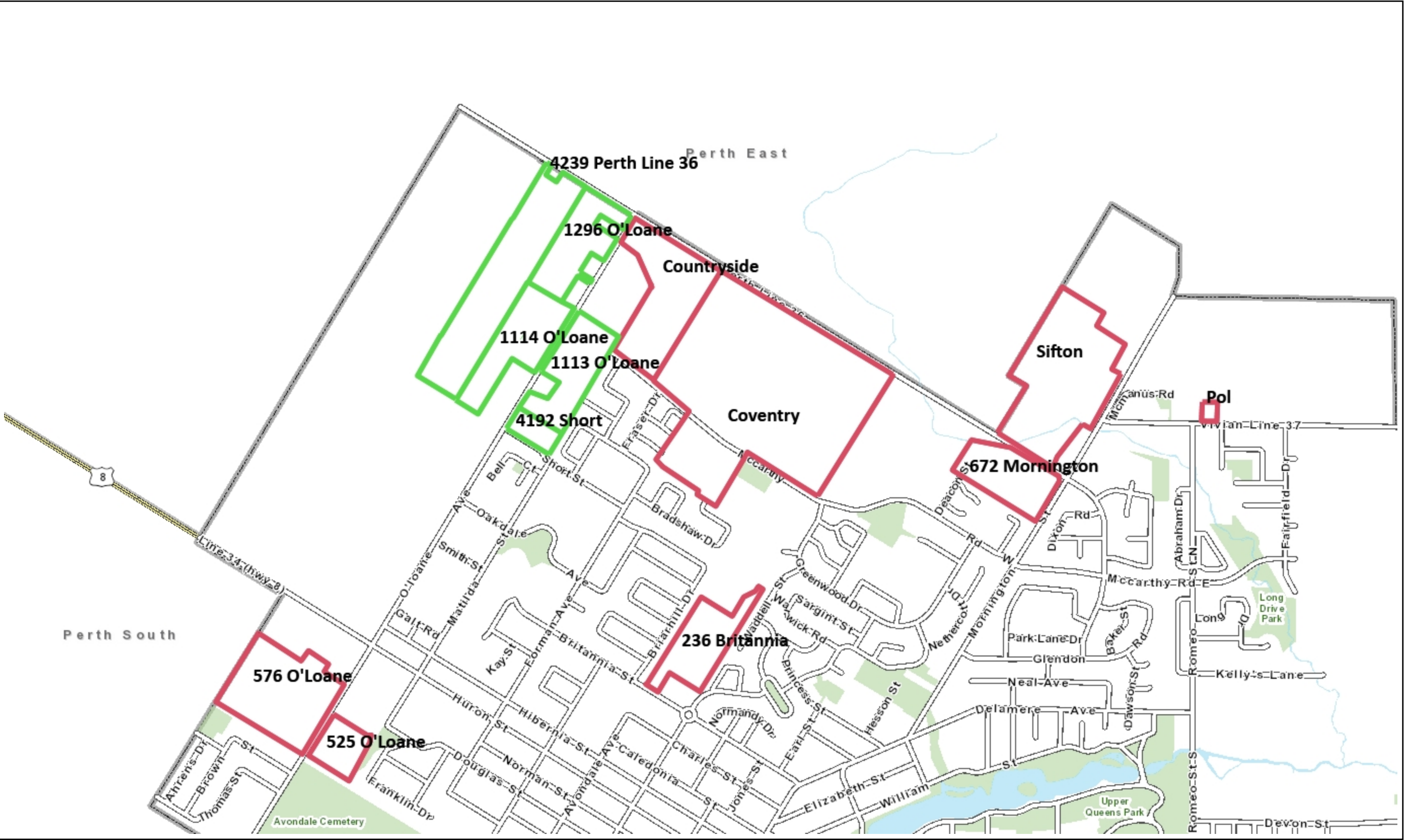


---

Joan Thomson, Chief Administrative Officer



Stratford Map



Legend

- Avon River/Lake Victoria
- Parks

1: 15,504



787.6 0 393.81 787.6 Meters

NAD\_1983\_UTM\_Zone\_17N

© City of Stratford Map Printed: July 16, 2020

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

Notes

Add Notes here



**BY-LAW NUMBER \_\_\_\_\_-2020  
OF  
THE CORPORATION OF THE CITY OF STRATFORD**

---

BEING a by-law to authorize the acceptance of a tender, execution of a contract and the undertaking of the work by Steve Smith Construction Corporation for 2020 Asphalt Resurfacing [T2020-24].

---

**WHEREAS** Section 8.(1) of the *Municipal Act, 2001, S.O. 2001, c.25 as amended*, provides that the powers of a municipality under this or any other Act, shall be interpreted broadly so as to confer broad authority on the municipality to enable the municipality to govern its affairs as it considers appropriate and to enhance the municipality's ability to respond to municipal issues;

**AND WHEREAS** Section 9 of the *Municipal Act, 2001*, provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

**AND WHEREAS** Section 10(1) of the *Municipal Act 2001* provides that a single-tier municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

**NOW THEREFORE BE IT ENACTED** by Council of The Corporation of the City of Stratford as follows:

1. That the tender [T2020-24] of Steve Smith Construction Corporation for asphalt resurfacing in 2020 be accepted, and the Mayor and Clerk or their respective delegates of The Corporation of the City of Stratford are hereby authorized to execute the contract on behalf of the corporation for the said work and to affix the Corporate seal thereto.
2. The accepted amount of the tender is \$1,875,748.36 including HST.
3. That Steve Smith Construction Corporation is hereby authorized to undertake the work pursuant to the said tender and as further directed by the Director of Infrastructure and Development Services or designate.

READ a FIRST, SECOND and THIRD time and

FINALLY PASSED this 10th day of August, 2020.

---

Mayor – Daniel B. Mathieson

---

Clerk – Tatiana Dafoe