



Meeting Date: October 13, 2021

Submitted by: M. Di Lullo, CAO

Report No: CAO-24-2021

Subject: Funding of Watermain Extension on Longwoods Road

Recommendation:

THAT Report CAO-24-2021 re: Funding of Watermain Extension on Longwoods Road be received;

AND THAT the amount of \$60,000 be provided for the purposes of the watermain extension along Longwoods Road to support development;

AND THAT the amount of \$60,000 be withdrawn from the Delaware Hydro Reserve Fund;

AND FURTHER THAT future development revenues realized from this watermain extension be reinstated back to the Delaware Hydro Reserve Fund.

Purpose:

The purpose of this report is to receive approval to proceed with the partial funding of a watermain extension on Longwoods Road for a commercial development and future development in the community of Delaware.

At the September 22, 2021 council meeting, Report PLA-80-2021 was approved to proceed with the draft plan of condominium for a light industrial development.

In response to the applicant's request for funding assistance as it relates to the costs for the watermain extension, staff have reviewed the request and determined that this funding will be withdrawn from the Delaware Hydro Reserve Fund. Further, future development that benefit from this extension will have a dedication cost which will be repaid back into the Reserve Fund as development occurs.

Background:

At the September 22, 2021 meeting of planning, Council received Report PLA-81-2021 to approve a Draft Plan of Condominium for property located at 10919 Longwoods Road. As noted in the planning report, the subject property is located within the Delaware Settlement Area on the south side of Longwoods Road (County Road 2) east of Martin Road and west of Carriage Road.

The subject property is irregularly shaped and is 6.64 ha (16.4 ac) in area with the proposal to create 15 light industrial lots.

In discussions with the proponent of the property, they have requested that the municipality give consideration to assist with the cost of the watermain extension along Longwoods Road, which is required to provide a connection point for servicing of the industrial condominium development. The watermain extension is 270m long.

This request will result in a mutual benefit for both the applicant and the municipality. The extension of the watermain would serve other properties in proximity of the proposed industrial development. Prior to permitting the extension of the watermain, the proponent must demonstrate through hydraulic modelling that the watermain extension will result in sufficient capacity and pressure to benefit other lands in the future.

Analysis:

The justification for providing assistance is that the extension of the watermain is beneficial to multiple properties, in addition to the subject development and as a result, staff are recommending that the watermain proceed.

The watermain will pass a total of five properties including the subject development lands; we note that only three of the five properties are currently situated within the settlement boundary. It is anticipated that some of the four other properties will need to connect into this new watermain when the four other properties develop. When the four other properties proceed with development or want to connect to the new watermain, the municipality would charge a connection fee which would be returned to the Delaware Hydro Reserve Fund.

It is suggested that the municipal portion of the funds for the watermain extension be taken from the Delaware Hydro Reserve Fund. The purpose of this fund is to grow the community and the proposed watermain extension achieves that goal.

As future growth occurs which benefits from this watermain extension, development funds and other associated revenues would be allocated back into the Delaware Hydro Reserve Fund. Any future developments as a result of the new watermain extension will incorporate a clause in the development agreement requiring that the costs associated with the watermain be paid to the Delaware Hydro Reserve Fund.

Financial Implications:

The total estimated cost is \$189,000 + HST. Municipal staff have reviewed this request and determined that a cost split of 33% between the municipality and developer is justified – this amounts to approximately \$62,370 + HST being allocated to the municipality. The rationale for the cost allocation was arrived at using two approaches:

Approach 1 was looking at the current area of the parcels situated within the settlement boundary that could be serviced by the extensions. The subject property is 16.41 acres while the area of the other two properties on the south side of Longwoods Road total 8.35 acres. Based on land area, the subject lands comprise approximately 66.2% of the net benefitting area leaving the municipality with 33.8%.

Approach 2 was completed by looking at the extension of the length required to service other major land parcels which would have frontage on Longwood's Road west of the subject property as the extension required to provide service to these locations would be significantly less. Based on staff's review, an extension of approximately 80m would provide service to both 10998 and 11027 Longwoods Road which are the only other significant parcels of land in the area. To provide a watermain servicing to the subject property will require a watermain extension of about 270m. Using this method, the developer would require an extension of about 190m beyond the 80m the other properties require which would equate to approximately 70% of the cost resting with the developer of 10919 Longwoods Road.

Staff are of the opinion that 33% municipal / 67% developer cost sharing is fair and reasonable in these circumstances. Therefore, staff are recommending that \$60,000 be provided for this request and funds withdrawn from the Delaware Hydro Reserve Fund.

Strategic Plan:

This matter aligns with following strategic priorities:

- Sustainable Infrastructure and Services

This development project serves as an example of the municipality continuing to promote diversity of development.

Attachments:

Appendix – Map of Longwoods Road Site Location

Appendix A – Site Location

