

The Regional Municipality of York

Committee of the Whole
Environmental Services
May 5, 2022

Report of the Commissioner of Public Works

Mount Albert Water and Wastewater System Upgrades and Development Agreement

1. Recommendations

1. Council authorize staff to negotiate a development agreement with the Mount Albert Developer Group to fund design and construction upgrades to the Mount Albert water and wastewater systems based on principles identified in this report.
2. Council authorize the Phase 1 servicing capacity assignment of 1,350 persons to the Town of East Gwillimbury for use in Mount Albert upon completion of upgrades to the Mount Albert water and wastewater systems.
3. Council authorize the Director, Infrastructure Asset Management, Public Works to execute the development agreement and to assign the Phase 2 servicing capacity of up to 540 persons to the Town of East Gwillimbury for use in Mount Albert subject to confirmatory performance monitoring following completion of Mount Albert water and wastewater system upgrades.
4. The Clerk to circulate this report to Town of East Gwillimbury and Mount Albert Developer Group.

2. Summary

This report seeks Council authorization to negotiate and execute a development agreement with Mount Albert Developer Group, which includes RCG Phil's Haulage Inc. (Rice Commercial Group Developments Limited), 1422754 Ontario Limited (Averton), and 711374 Ontario Corp. (Oxford Developments) (Developer Group) to implement upgrades to the Mount Albert water and wastewater systems, and to assign servicing capacity to the Town of East Gwillimbury to facilitate continued growth in the community.

Key Points:

- There is continued interest in increasing Mount Albert servicing capacity to facilitate build-out of the community
- An additional 1,890 persons can be serviced by implementing approximately \$9M in upgrades to the Mount Albert water and wastewater systems

- Developers in Mount Albert have agreed to enter into a development agreement based on key principles outlined in this report
- The Mount Albert Developer Group will fund their proportionate share of the works

3. Background

Existing Regional infrastructure in Mount Albert was designed to service a build-out population of 6,000 persons

The community of Mount Albert was forecasted to grow to an ultimate population of 6,000 persons according to land budgeting in the 1994 Regional Official Plan, and per the Town of East Gwillimbury's Official Plan. The Mount Albert wastewater system was upgraded in 2003 to service this ultimate population. A third water supply well was added to the Mount Albert water system in 2011 to support build-out of the community.

Expansion of the Mount Albert wastewater system for 2,000 additional persons was studied in 2015 and was not implemented due to high costs

As early as 2014, the Town of East Gwillimbury identified an opportunity for population growth in Mount Albert beyond 6,000 persons within remaining Settlement Area lands. To assess feasibility of servicing this growth, York Region completed a capacity study of the Mount Albert wastewater system in 2015.

The study concluded that expansion of the Mount Albert wastewater system, supported by a Schedule C Class Environmental Assessment, would be required to increase servicing capacity by up to 2,000 additional persons. The estimated cost for this full plant expansion was \$20 million (2015 dollars) due to anticipated level of treatment technology to meet stringent effluent limits with expanded flows in the Lake Simcoe watershed.

Based on the high cost relative to additional servicing capacity created, the Region did not support expansion of the Mount Albert wastewater system.

There is continued interest in expanding Mount Albert servicing capacity with outstanding planning appeals to the Ontario Land Tribunal

The Region is aware of at least three property owners interested in developing lands within the remaining Mount Albert Settlement Area requiring water and wastewater servicing capacity as follows (Table 1):

Table 1
Proposed Developments within Mount Albert Settlement Area

Developer	Description of Proposed Development
1422754 Ontario Limited (Averton)	Two-storey mixed-use building consisting of 10 retail/commercial units and 74 residential units (10 units of which require servicing)
RCG Phil's Haulage Inc. (Rice Commercial Group Developments Limited)	Residential development with 15 single detached units and 14 townhouses.
711374 Ontario Corp. (Oxford Developments)	Second phase of subdivision consisting of 53 single detached units and 8 townhouses. Subdivision consisting of approximately 365 single detached, semi-detached and townhouse units.
Other	Identified infill and improvement within Mount Albert Settlement area
Total Additional Servicing Need	1,890 persons

A map of proposed developments is included in Attachment 1.

Averton submitted Zoning Bylaw Amendment and Site Plan applications in December 2015 to support development of a two-storey mixed-use building, and subsequently appealed the Zoning Bylaw Amendment application to the then Ontario Municipal Board for a lack of decision from the Town of East Gwillimbury. In April 2016, the Town of East Gwillimbury executed the Minutes of Settlement allocating capacity for 64 of the 74 units in the development. A holding provision was applied to the remaining 10 units until sufficient servicing capacity becomes available and is allocated to the development.

Rice submitted a Zoning Bylaw Amendment and Draft Plan of Subdivision on December 7, 2017, to facilitate the above-noted development. Region staff provided comments stating there was no servicing capacity available to accommodate this development proposal and no plans to increase the wastewater system capacity. On May 31, 2018, Rice appealed to the then Local Planning Appeal Tribunal, based the Town of East Gwillimbury's failure to make decisions on the applications within the prescribed statutory timeframe.

Oxford registered Phase 1 of a 235-lot subdivision consisting of mixed single detached, semi-detached and townhouse units on December 12, 2017, and requires additional

servicing capacity for the remaining 53 single detached homes and 8 townhouses to complete the subdivision. Oxford plans to extend this subdivision by an additional 365 lots and applied for pre-submission consultation with the Town of East Gwillimbury on November 4, 2021, in support of this development.

Town of East Gwillimbury recently endorsed a new population in Mount Albert of about 7,890 persons, without confirmed municipal servicing

On [April 21, 2020](#), the Town of East Gwillimbury's Council endorsed staff recommendations to support growth in Mount Albert to a population of approximately 7,890 persons, to be facilitated through upgrades to the Region's Mount Albert wastewater system. Approximately 1,890 persons of additional servicing capacity is required to develop over 25 hectares of designated Greenfield Area land within the Settlement Area boundary and convert existing privately serviced residents within the community to full municipal servicing. The Town of East Gwillimbury intends to update population forecasts for Mount Albert through its ongoing Official Plan review.

Region staff responded to local Council endorsement of growth in Mount Albert by updating its servicing capacity study

Responding to the noted local Council endorsement, Region staff updated its wastewater system capacity study with funding from the Developer Group. The study identified upgrades to increase servicing capacity within the existing approved discharge limits of the Mount Albert Water Resource Recovery Facility. With several new developments having connected to the Mount Albert system since 2015 and additional years of wastewater generation data available, a more reliable study could be completed. A preliminary needs assessment for the Region's water supply system was also carried out.

4. Analysis

York Region's updated study shows up to 1,890 additional persons can be serviced in Mount Albert through water and wastewater system upgrades

Through its study, the Region identified several minor water and wastewater system upgrades that would increase servicing capacity in Mount Albert by up to 1,890 persons. These are predicated on remaining within the current ECA approved discharge flows and loadings from the Mount Albert plant. Findings of the water supply system needs assessment must be confirmed through a Water Supply Conceptual Design Study. A summary of potential water and wastewater system upgrades and estimated capital costs is provided in Table 2. These upgrades will be validated through additional engineering design work and consultation with the Provincial regulator. Additional infrastructure and associated costs could result from this consultation and approvals requirements.

Table 2**Up to \$9M in Minor Upgrades to Mount Albert Water and Wastewater Systems**

Process	Description of Upgrades	Estimated Capital Cost*
Wastewater System		
Sewage Pumping Station	Pump replacements at the Mount Albert Sewage Pumping Station to deliver rated capacity	\$1.0M
Secondary Treatment	Addition of 4th blower to secondary treatment process to provide required aeration	\$0.2M
Tertiary Filtration	Upgrade existing tertiary sand filters to reduce backwash volumes and hydraulic loadings through the facility	\$1.0M
Alkalinity Adjustment	Alkalinity adjustment to address nitrification challenges and effluent ammonia excursions. Estimated cost depends on selected system	\$0.1 to \$1.0M
Sludge Handling	Improved sludge management to manage increased sludge handling requirements. Estimated cost depends on selected system	\$0.7 to \$1.3M
Outfall	Upgrades to effluent piping and/or outfall to deliver required hydraulic capacity of the effluent discharge system	\$1.5M
Water System		
Various	Upgrades to the water supply system are needed, including additional emergency storage, treatment redundancy and security of supply. Scope and cost to be confirmed through conceptual design	\$3.0M
Total Estimated Upgrade Cost		\$9.0M

*Estimated costs in 2021 dollars and are subject to change

Developer Group has reviewed study findings and agreed to fund approximately \$9 million in required upgrades

Recommendations from the Region studies were presented to the Developer Group and Town of East Gwillimbury staff on November 8, 2021. These upgrades were not planned or budgeted by the Region given that earlier studies identified plant expansion as cost prohibitive. To advance these upgrades and secure additional servicing capacity, the

Developer Group has agreed to fund Region-delivered design and construction work. The parties agree that the upgrades will be implemented at the Developer Group's sole cost with no reimbursement. It's also agreed that the upgrades are not included in the Regional Development Charges Bylaw and do not qualify for Development Charge Credit Agreement under the Development Charge Credit Policy.

Some key principles of a funding agreement have been agreed to by the parties

The Mount Albert Developer Group has agreed to the following key development agreement principles:

1. All parties acknowledge the estimated cost of the proposed design and construction works is \$9 million, comprised of \$3 million for the water works and \$6 million for wastewater works
2. The Mount Albert Developer Group will be responsible for funding 100% of the actual cost of the works
3. The Mount Albert Developer Group will post security of \$9 million in the following manner:
 - a. Provide a Letter of Credit or a form of security satisfactory to the Commissioner of Finance, in the amount of \$9 million prior to execution of the agreement; and
 - b. The balance, if any, based on tendered amounts, will be provided prior to award of the tender for the works; and
 - c. The Region will draw on the security in the following manner:
 - 10% upon execution of the agreement
 - 40% prior to tender
 - 50% prior to award of construction contract
4. The Mount Albert Developer Group undertakes to provide any additional funding required for this project within 15 days of a written request by the Region, and conversely, will be refunded any project savings once the project has been completed to the satisfaction of the Region
5. Should the tendered cost exceed the estimated cost specified in Principle 1 by more than 10%, the Region or the Mount Albert Developer Group may terminate the agreement at no cost to the Region and the Region may reassess viability of the Mount Albert Water and Wastewater System Upgrade projects
6. The Region will use reasonable best efforts to construct the water and wastewater works on or before Q4 2027
7. If the Region determines an alternative solution could assist and/or reduce the project cost, it may alter the proposed delivery method and/or provision of the infrastructure

8. The proposed design and construction works are not eligible for development charge credits and the Mount Albert Developer Group shall not receive any development charge credits after completion of the works. If the Region, at its sole discretion, determines that any portion of the works are deemed to be eligible for cost reimbursement, the Mount Albert Developer Group will be reimbursed, subject to Council approval as applicable.
9. The Region, using reasonable best efforts, will undertake all necessary steps to provide reimbursement, if applicable
10. The Region will assign capacity created through completion of the works to the Town of East Gwillimbury for allocation to development in Mount Albert at its sole discretion
11. The Region will assign capacity to the Town of East Gwillimbury in the following manner:
 - 1,350 persons upon completion of the works
 - Up to 540 persons upon completion of confirmatory performance monitoring to the satisfaction of the Commissioner of Environmental Services

Other general principles agreed to are as follows:

12. The Mount Albert Developer Group agrees to pay for the Region's legal costs (external and internal) associated with preparation of the agreement
13. A fee equal to 0.5% of the capital cost of the works will be payable by the Mount Albert Developer Group for administration of the agreement

Expansion of servicing capacity in Mount Albert will facilitate continued growth in the community and settling of outstanding planning appeals

The proposed expansion of the Mount Albert water and wastewater systems is expected to service an additional 1,890 persons. This capacity will be assigned to the Town of East Gwillimbury in phases allowing the Region to carefully monitor effects of additional service population on the system performance before assigning the full capacity. Table 3 presents the phased capacity assignment.

Table 3
Phased Assignment of 1,890 Persons Capacity in Mount Albert

Phase	Capacity Assignment	Trigger for Release
Phase 1	1,350 persons	Completion of the Mount Albert water and wastewater system upgrades
Phase 2	540 persons	Completion of confirmatory performance monitoring

Prior to clearing conditions of development approval, staff will apply appropriate measures such as planning holding provisions to ensure availability of capacity is coordinated with timing of development, allowing development to proceed without increasing risk to the performance of our water and wastewater systems.

Assignment of this capacity will enable the Rice, Averton and Oxford developments to proceed, with remaining capacity for additional growth in Mount Albert. Conditions of approval for Rice’s development applications relating to funding and completion of upgrades to the Mount Albert water and wastewater systems are included in the Minutes of Settlement.

This report is consistent with the York Region Official Plan and the 2019 to 2023 Strategic Plan

According to the local Council report dated [April 21, 2020](#), the additional 1,890 persons capacity will allow development of the Mount Albert Settlement Area. Although the current local Official Plan shows an ultimate population of 6,000 persons in Mount Albert, local Council endorsed increasing this number to approximately 7,890 persons. The Report further indicated the Town of East Gwillimbury’s intention to incorporate this number through the Town of East Gwillimbury’s ongoing Official Plan review and conformity exercise to align with the Region’s new Official Plan.

This report is consistent with the York Region Official Plan, which states that it is the policy of Council to ensure that the provision of water and wastewater servicing within communities be coordinated with land use planning approvals to achieve complete communities and to assist in the sequencing of growth within communities.

Working with stakeholders in the development community to advance infrastructure contributes to a strengthened economy and is indicative of a responsive and efficient public service, which are both strategic priority areas in York Region’s 2019 to 2023 Strategic Plan.

5. Financial

The Mount Albert Developer Group has agreed to fund Mount Albert water and wastewater system upgrades at an estimated cost of \$9 million. The Mount Albert Developer Group will be responsible for funding 100% of the actual cost of the works.

6. Local Impact

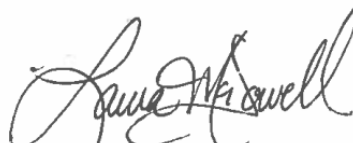
Implementation of the Mount Albert minor water and wastewater system upgrades facilitates servicing growth of the Mount Albert Community to a population of 7,890 persons. The Town of East Gwillimbury will be responsible for allocating water and wastewater capacity to proposed developments in Mount Albert.

7. Conclusion

This report outlines the funding arrangement proposed by the Mount Albert Developer Group to advance upgrades to Regional water and wastewater systems and recommends assignment of up to 1,890 persons capacity in Mount Albert in two phases following completion of these upgrades. Phasing of this capacity assignment, with the second phase dependent on confirmatory monitoring of actual system performance, enables further growth while managing the Region's risk. The advancement of these works facilitates growth of the Mount Albert Settlement Area and supports the Town of East Gwillimbury's Council resolution to grow the community to approximately 7,890 persons, with municipal services.

For more information on this report, please contact Wendy Kemp, Director (A), Infrastructure Asset Management at 1-877-464-9675 ext. 75141. Accessible formats or communication supports are available upon request.

Recommended by:



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Erin Mahoney, M. Eng.
Commissioner of Public Works



Approved for Submission:

Bruce Macgregor
Chief Administrative Officer

April 13, 2022
Attachments (1)
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