



REGION OF YORK
CLERK'S OFFICE

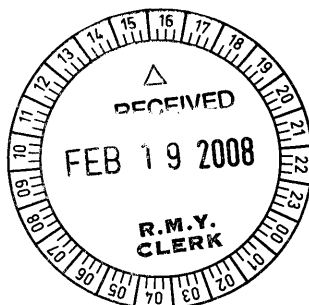
FILE No. -

906

Chair, C.O.D.
E. Mahoney
L. Marshall

February 13, 2008

Mr. Denis Kelly
Regional Clerk
The Regional Municipality of York
17250 Yonge Street
Newmarket, ON L3Y 6Z1



RE: NINTH LINE SEWER IN THE CORNELL COMMUNITY (5.5)

Dear Mr. Kelly:

This will confirm that at the meeting of Council held on February 12, 2008, Clause 2 of Report No. 5, was approved as follows:

"That the February 5, 2008 report entitled "Ninth Line Sewer in the Cornell Community" be received;

And that the Chief Administrative Officer be authorized to finalize negotiations with the Region of York, 605918 Ontario Limited and the Markham Stouffville Hospital, on the cost sharing of the Ninth Line storm sewer;

And that the Mayor and the Clerk be authorized to execute a Cost Sharing Agreement with the Region of York, 605918 Ontario Limited, the Markham Stouffville Hospital, and any other necessary parties, to the satisfaction of the Chief Administrative Officer and Town Solicitor;

And that the Cornell Landowners Group and/or Lindvest Properties (Cornell) Limited be provided additional servicing allocation of two hundred (200) residential units (132 units upon financing of the sewer and the remaining 68 units in 2011) for the payment of the Town's and at least 50% of Markham Stouffville Hospital's shares of the 9th Line storm sewer;

And that the CAO be authorized to execute a Memorandum of Understanding with the Cornell Landowners Group and/or Lindvest Properties (Cornell) Limited related to the financing of the 9th Line storm sewer and additional servicing allocation;

And that the Region of York be requested to contribute 50% of the Markham Stouffville Hospital's share of the 9th Line storm sewer;

And that staff be authorized and directed to do all things necessary to give effect to this resolution."

Yours sincerely,

Sheila Birrell

The Corporation of the Town of Markham • Clerk's Department

Town Clerk • Town Centre Boulevard, Markham, ON L3R 9W3 • tel. 905.475.4744 • fax. 905.479.7771 • www.markham.ca

Report to: Development Services Committee

Report Date: February 5, 2008

SUBJECT: Ninth Line Sewer in the Cornell Community
PREPARED BY: Brian Lee, Manager, Development Engineering ext. 4838

RECOMMENDATION:

That the February 5, 2008 report entitled "Ninth Line Sewer in the Cornell Community" be received;

And that the Chief Administrative Officer be authorized to finalize negotiations with the Region of York, 605918 Ontario Limited and the Markham Stouffville Hospital, on the cost sharing of the Ninth Line storm sewer;

And that the Mayor and the Clerk be authorized to execute a Cost Sharing Agreement with the Region of York, 605918 Ontario Limited, the Markham Stouffville Hospital, and any other necessary parties, to the satisfaction of the Chief Administrative Officer and Town Solicitor;

And that the Cornell Landowners Group and/or Lindvest Properties (Cornell) Limited be provided additional servicing allocation of two hundred (200) residential units (132 units upon financing of the sewer and the remaining 68 units in 2011) for the payment of the Town's and at least 50% of Markham Stouffville Hospital's shares of the 9th Line storm sewer;

And that the CAO be authorized to execute a Memorandum of Understanding with the Cornell Landowners Group and/or Lindvest Properties (Cornell) Limited related to the financing of the 9th Line storm sewer and additional servicing allocation;

And that the Region of York be requested to contribute 50% of the Markham Stouffville Hospital's share of the 9th Line storm sewer;

And that staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

Not applicable

PURPOSE:

The purpose of this report is to:

- (a) seek Council approval for the CAO to finalize the negotiation with the Region of York, 605918 Ontario Limited and the Markham Stouffville Hospital as to the cost sharing for the construction of approximately 1,100 metres of storm sewer on 9th Line and within the Lindvest draft plan to Pond A in the Cornell Community, (see Attachment 'A'),
- (b) authorize the Mayor and the Clerk to execute a Cost Sharing Agreement with the same parties in order to secure the construction of the storm sewer,
- (c) grant 200 units of servicing allocation in stages to the Cornell Landowners Group and/or Lindvest in return for Lindvest by the Town's share (\$0.8 million to \$1 million) and at least

fifty (50%) of Markham Stouffville Hospital's share (Hospital total share: \$0.4 million to \$0.6 million) of the construction of the 9th Line storm sewer;

(d) authorize the CAO to execute the necessary Memorandum of Understanding with the Cornell Landowners Group and/or Lindvest related to the financing of the 9th Line storm sewer and servicing allocation, and

(e) request the Region of York to fund 50% of the Markham Stouffville Hospital's share.

BACKGROUND:

As part of the Region's contract to widen 9th Line from Highway 407 to Rose Way (north of Hwy 7) the Region has to construct a storm sewer within 9th Line to convey both minor and major flows from the drainage area to a stormwater management pond north of Highway 407. This drainage area includes major and minor flows within the 9th Line right-of-way (7 ha), major and minor flows from part of Markham Stouffville Hospital lands (7 ha), major and minor flows from 605918 Ontario Limited land (a Cornell developer) (7 ha) and major flow only from an existing residential community west of 9th Line and north of Highway 7 (56ha).

In a report to General Committee on June 19, 2006 entitled "Highway 7 and 9th Line Reconstruction", Council requested that the Region of York defer the reconstruction and widening of the 9th Line from Highway 407 to approximately Rose Way to the 2007/2008 construction season and that the Region work with the Town to resolve the drainage and cost sharing issues. The Region has assumed jurisdiction of this section of Highway 7 in March 2007 and its current policy does not allow storm runoff over a 5 year storm event to flow overland across Highway 7. This requires storm runoff from the drainage area north of Highway 7 to be piped under Highway 7 to an existing stormwater management pond in Cornell (Pond A). This sewer will run from just north of Highway 7 within the 9th Line right-of-way southerly to approximately Kenilworth Gate and then will turn east towards Pond A within Lindvest Phase 2 subdivision as per Attachment 'A'.

At the time of the June 2006 report, it was estimated (for the existing residential community west of 9th Line and north of Hwy 7) that the total cost of the sewer would be \$3 million with the Town's share being \$1.3 million and the Markham Stouffville Hospital's share about \$0.5 million. Council advised the Region that the costs for the Town and the Markham Stouffville Hospital are not acceptable and alternative options must be considered to reduce the Town's financial obligation which has to be funded from the tax base. Accordingly, the Region deferred the widening of 9th Line and the construction of the sewer until the drainage and funding issues are resolved. The estimates for the Town's and Hospital's share have since changed with more updated analysis.

OPTIONS/ DISCUSSION:

As directed by Council, staff proceeded to explore alternative options that would reduce the financial burden to the Town and Markham Stouffville Hospital. Marshall Macklin Monaghan (MMM) was involved in the design of the master drainage plan for Cornell and was retained by 605918 Ontario Limited to investigate alternative options and coordinate with other potential cost sharing parties. A working group was formed with representative from the Town, the Markham Stouffville Hospital, the Region of York and 605918 Ontario Limited to explore options.

Town Investigation of Alternative Options

The Town retained URS Canada Inc. to verify the design flow prepared by MMM for the existing residential neighbourhood and to identify and evaluate alternative options to attenuate the major flow. URS Canada Inc. reported that the residential neighbourhood west of 9th Line and north of Highway 7 was designed based on the stormwater management criteria of the day which did not take into consideration major storm runoff and overland flow routes. Alternative options reviewed included storage of storm runoff under existing parks and open space, oversizing of local sewers for storage and construction of a new stormwater management pond within an open space adjacent to 9th Line and Highway 7. The overall review of all the options confirmed that the oversizing of the 9th Line storm sewer to convey the major storm runoff is the most viable option.

Preliminary Cost of Work and Cost Sharing

There are a number of methods for cost sharing of the sewer by different benefiting parties which are currently being finalized. It is recommended that staff be authorized to finalize negotiation with the other benefiting parties subject to the CAO's approval.

The Town's and Markham Stouffville Hospital's share is in the order of \$1.2 to 1.4 million under the different cost sharing scenarios. The cost of work and cost sharing amount will be based on the actual final contract amount of the sewer contracts. It is anticipated that the north section of the sewer will be tendered as part of the 9th Line reconstruction contract by the Region of York. The south section of the sewer is within lands currently under the ownership of Lindvest. It is anticipated that Lindvest will construct the south section of the sewer as soon as the Memorandum of Understanding is signed.

Cost Sharing Agreement

A Cost Sharing Agreement will be required to specify the obligations of the various benefiting parties. The contents of the Cost Sharing Agreement will include: Parties to the Agreement, Description of Works, Cost Sharing Principles, Front End Financing, Cost of Works, Cost Sharing and Repayment Schedules, and Roles and Responsibilities of each party.

Town's and Markham Stouffville Hospital's Shares

As the benefit to the Town for the construction of the sewer is for an existing residential neighbourhood, the Town would have to finance this through the tax rate (not Development Charges). Through preliminary negotiation with Lindvest, it has expressed an interest in paying the Town's portion in return for servicing allocation. The Trustee for the Cornell Landowners Group has indicated that assignment of servicing allocation and conditions should be through the Group as per the Town's normal practice. In order not to incur a tax rate capital expenditure in the range of \$0.8 to \$1.0 million, staff recommend Council allocate up to 200 units to the Cornell Landowners Group and/or Lindvest. Due to limited availability of servicing allocation, staff propose 132 units of allocation be provided upon payment of the Town's and at least 50% of Markham Stouffville Hospital's share and the remaining 68 units in 2011. It is recommended that staff be authorized to finalize this arrangement and that the CAO be authorized to execute a Memorandum of Understanding with the Cornell Landowners Group and/or Lindvest. Staff also recommend that the Region contribute towards 50% of the Markham Stouffville Hospital's share.

Timing of Construction

The timing of the storm sewer is critical as it affects the timing of the widening of the south portion of 9th Line (from north of Highway 7 to Highway 407), and the timing of the construction of Lindvest Phase 2. With the Region deferring the construction of the south portion of 9th Line to 2008, the critical path is the construction of the section of sewer adjacent to the Lindvest Phase 2 residential units. The construction of these residential units started last fall and will be ready for occupancy by late spring. The construction of this section of sewer within Lindvest land should commence as soon as the Memorandum of Undertaking is signed.

FINANCIAL CONSIDERATIONS AND TEMPLATE:

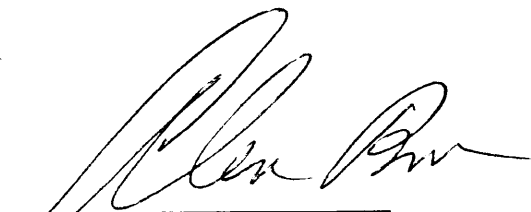
The construction of the 9th Line storm sewer is estimated to be \$3.0 million which is to be cost shared between four benefiting parties: Region of York, 605918 Ontario Limited, Markham Stouffville Hospital and the Town. The cost sharing principles are being finalized and it is anticipated that the Town's share is between \$0.8 million and \$1 million, and Markham Stouffville Hospital's share is \$0.4 million to \$0.6 million, with a total between \$1.2 million and \$1.4 million. It is proposed that Cornell Landowners Group and/or Lindvest fund the Town's and at least 50% of the Markham Stouffville Hospital's shares in return for servicing allocation, resulting in no net financial impact to the Town. The Region is requested to contribute 50% of the Markham Stouffville Hospital's share.

FINANCIAL IMPACT:

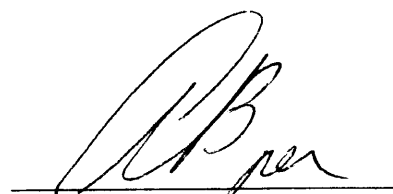
Subject to Council acceptance of provision of servicing allocation for the payment of the Town's share, the Town can avoid potentially funding up to \$1.0 million from the tax base and have no overall financial impact.

BUSINESS UNITS CONSULTED AND AFFECTED:

The Planning Department has been consulted regarding the provision of servicing allocation and have no comments on the proposal. The Legal Department was consulted in the preparation of this report and will also be consulted regarding the drafting of the Memorandum of Understanding and the Cost Sharing Agreement.

RECOMMENDED BY:

Adam Brown, C.E.T.
Director, Engineering



Jim Baird, M.C.I.P., R.P.P.
Commissioner, Development Services

ATTACHMENTS:

Attachment 'A' – Location map

Attachment 'A'
Ninth Line Storm Sewer

Proposed
Storm Sewer

Highway 7

By Region
of York

Ninth Line

Kenilworth Gate

Delmark Blvd

LINDVEST

By Lindvest

POND A

Highway 407

