



City of  
**Peterborough**

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**TO:** Members of the Planning Committee

**FROM:** Ken Hetherington, Manager, Planning Division

**MEETING DATE:** May 10, 2010

**SUBJECT:** Report PLPD10-029  
Servicing for AON Inc. Lands  
Coldsprings Growth Area

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## **PURPOSE**

A report to update Council on the issues regarding the extension of services to the AON Inc. Lands within the Coldsprings Growth Area.

## **RECOMMENDATION**

That Council approve the recommendation outlined in Report PLPD10-029 dated May 10, 2010, of the Manager, Planning Division, as follows:

That Report PLPD10-029 be received.

## **BUDGET AND FINANCIAL IMPLICATIONS**

There are no direct budget or financial implications resulting from approval of the recommendation.

## **BACKGROUND**

At the March 29 Planning Committee meeting, staff were asked to provide an update regarding services being provided to the AON lands located in the Coldsprings Growth Area, south of Highway 7/115, east of the Otonabee River.

### **Coldsprings Functional Planning Study**

For several years, Planning Staff have been attempting to complete a Functional Planning Study for the Coldsprings Growth Area, comprised of approximately 700 acres south of the Highway 7/115, east of the Otonabee River. This Study was primarily delayed pending completion of a transportation study for development of the area. Upon completion of the Coldsprings Transportation Study it was determined that a significant amount of work in proximity to the Highway interchange is required to accommodate build out in the area. This will include the closure of Guthrie Drive and realignment of the Highway Ramp, intersection improvements at Bensfort Road/Wallace Point Road/Neal Drive and providing additional capacity in the Bensfort Road/River Road corridor. Staff are currently working with the consultants preparing the Functional Planning Study to complete the Study. The Study should be presented to Planning Committee in May or June 2010.

### **AON Phased Subdivision Plan**

While the Coldsprings Study has been ongoing, AON Inc. has been developing a phased subdivision plan that respects the Coldsprings Transportation Study and the Ministry of Transportation (MTO) requirements regarding access in the area. Due to the site lines associated with the Highway off-ramp intersection with Guthrie Drive, the MTO will not allow Guthrie Drive to be the principle access to the development. AON submitted revised plans in February to illustrate a plan that has its main access from Wallace Point Road, satisfying the MTO requirement. This new collector street would serve as the access to the existing residences along Guthrie Drive and the Ontario Federation of Anglers and Hunters. The current AON plan has been received by Planning and is presently being circulated to technical commenting agencies.

For the past several months, AON has been attempting to secure municipal servicing for their proposed development. Since the Coldsprings lands were annexed in 1998 and 2008, there are no City services in the immediate area and there are significant service extensions that are required to service the AON lands.

### **Sanitary Sewer**

A sanitary trunk sewer extension from the Wastewater Treatment Plant under Highway 7/115 corridor to the AON lands is required for development to proceed. A new sewage pumping station and forcemain connection to the trunk sewer will also be required. Both the trunk main extension and pumping station are identified in the 2008 Area

Specific Development Charges Study and are estimated to cost approximately \$3.5 million. Both are 100% recoverable from development charges. However, because there has been no development in the Coldsprings Growth Area, there are no development charge funds available to fund the sanitary projects.

The following is an explanation of possible options in the event the City decides to provide assistance for the early development phases of the Coldsprings Growth Area. However, additional review and analysis is necessary, and would be presented to Council before any one particular option is pursued.

### **Front-end Financing Option**

The Development Charges Act allows for front-end financing arrangements for the designated services if the City chooses to use such a process. Such agreements allow the costs of the work to be borne by one or more of the parties to the agreement and provides for persons who, in the future, develop land within the area defined in the agreement to pay an amount to reimburse some part of the costs of the work.

City staff have been assuming these works would be designed and constructed by the developer(s) and a servicing agreement would be negotiated between the developer(s) and the City. Under this scenario, AON would be required to “front end” the necessary infrastructure to service this development.

### **Another Servicing Funding Option**

The dilemma that this servicing situation causes for the developer, is a significant financial investment is required to install services that are in fact 100% Development Charge funded. When the Area Specific Development Charge By-law was introduced in 2004, it was recognized that certain Growth Areas would have a reserve balance of zero, because there was no development and therefore, no Development Charge commitments. One option for consideration to assist with initial phases of development in these areas would be for the City to pay for the services from the Coldsprings Growth Area Development Charge Reserve Fund (the Fund) and let the fund become overdrawn. The overdrawn balance would be credited as development charges are paid when future development occurs. Interest would be charged on the over drawn Fund amount.

If the City opted to use this alternative approach to allow the AON development to proceed, there would likely be pressure from other developers when they wish to proceed with development in Coldsprings, that requires additional servicing, or in the other six growth areas.

If this option were pursued, it would be appropriate for the City to require some form of performance guarantee from AON which will include development timing to ensure the development charge revenue is recovered in a timely manner.

**Water**

The nearest water service to the development lands is located at Bensfort Road and Neal Drive. Peterborough Utilities Services Inc. (PUSI) has advised that this watermain can be extended to service a first phase of approximately 60 units. Because this service would be a “dead end” watermain, there could be no further development until there is a “looped” water service.

PUSI is presently completing a Class Environmental Assessment for a watermain extension of the trunk watermain on the west side of the Otonabee River. This trunk watermain would cross the River and provide the looped water service to the Coldsprings Growth Area. PUSI has contemplated construction in 2012 – 13 to respond to development needs. Until this trunk watermain service is extended, AON’s other option is to extend the watermain that services the Phase 1 lands, under the Highway 7/115 corridor to connect to a water service in Southpark Drive. This looped service would accommodate an additional 100+ units. Modeling is required to determine the number of units that can be accommodated.

**Discussions Continue**

Planning Staff are processing the AON Draft Plan of Subdivision application and hope to have it before Planning Committee in June or July. Staff at the City and PUSI are continuing to work with AON to resolve the sanitary sewer and watermain issues and will explore further financial options and implications and advise Council prior to any decision being made.

Submitted by,

Concurred with,

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**Attachment:**

Exhibit A - Conceptual Servicing Plan