

**To:** COUNCIL

**Meeting Date:** 06/08/21

**Subject:** Agreements for the North Cambridge Business Park and East Side Lands

**Submitted By:** Kevin De Leebeeck, Director of Engineering

**Prepared By:** Sarah Austin, Manager of Development Engineering

**Report No.:** 21-055(CD)

**File No.:** A/00432-40 and A/00431-42

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## Recommendations

THAT Report 21-055 (CD) Agreements for the North Cambridge Business Park and East Side Lands be received;

AND THAT Mayor and Clerk be authorized to execute a Cost Sharing Agreement with the Region of Waterloo and Township of Woolwich for the oversizing of a trunk sanitary sewer within the North Cambridge Business Park to provide capacity for future development lands outside of the City, to the satisfaction of the City Solicitor;

AND THAT Mayor and Clerk be authorized to execute a Cross Border Servicing Agreement with the Region of Waterloo to allow the discharge of existing flows from the Region of Waterloo International Airport to the trunk sanitary sewer within the North Cambridge Business Park, to the satisfaction of the City Solicitor;

AND FURTHER THAT Mayor and Clerk be authorized to execute Construction and Maintenance Agreements with Canadian Pacific Railway for the construction of a Railway Grade Separation (underpass) on Boychuk Drive, to the satisfaction of the City Solicitor.

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## Executive Summary

### Purpose

- This report is seeking authority for the Mayor and Clerk to execute a cost sharing agreement with the Region and Township for the oversizing of a trunk sanitary sewer being constructed in the North Cambridge Business Park, as well as a cross-border servicing agreement with the Region allowing the Region of

Waterloo International Airport to discharge their existing sanitary flows to the new trunk sewer system.

- This report is also seeking authority for the Mayor and Clerk to execute construction and maintenance agreements with Canadian Pacific Railway for the construction of a railway grade separation (underpass) in the North Cambridge Business Park. These construction works are within the Canadian Pacific Railway property requiring the execution of the associated agreements.

## Key Findings

- The development of the North Cambridge Business Park requires a trunk sanitary sewer to service the City lands. An opportunity was identified to oversize the trunk sanitary sewer to provide capacity for future development lands outside of the City, including the Region of Waterloo International Airport and Township lands located within Stage 2 of the East Side Lands. The Region of Waterloo and Township of Woolwich are supportive of oversizing and a cost sharing agreement has been developed to cover costs associated with the larger pipe construction.
- With the construction of the trunk sanitary sewer, there is an opportunity for the Region of Waterloo International Airport to discharge their existing flows to the sewer and eliminate the current practice of pumping sanitary flows from a holding tank. A cross border servicing agreement between the Region and City is required to allow the connection of the Airport to the municipal sanitary sewer. In the event of any proposed connection of additional lands outside the City in the future, a similar agreement will be required.
- Region of Waterloo Council authorized staff to enter the cost sharing agreement on December 11, 2019 through Report PDL-AIR-19-07. Concurrent to this report, Region and Township staff are preparing reports for authorization to enter the cross-border servicing and cost-sharing agreements, respectively.
- The construction of Boychuk Drive, formerly referenced as the East-West Collector Road, includes a crossing of the Canadian Pacific Railway. A decision by the Canadian Transportation Agency identified the crossing as a grade separation (underpass) and apportioned costs on a 50/50 split between Canadian Pacific Railway and the City. A Construction agreement that outlines this cost sharing arrangement is required between Canadian Pacific Railway and the City as well as a Maintenance agreement following construction.

## Financial Implications

- The design and construction of the first leg of the trunk sanitary sewer on Intermarket Road has been completed as part of current capital projects. The approved budget is \$13.5M funded through Development Charges, with a

contribution from the Region and Township for \$0.3M for the oversizing of the trunk sewer.

- The remainder of the trunk sewer is included in proposed capital projects in the capital forecast. The proposed budgets for the future projects are funded through Development Charges and include an external funding component for the oversizing of the trunk sewer.
- The cross-border servicing agreement includes the provision that the Region pay the annual retail sanitary sewer rate as set out in the City's User Fee by-law. These fees will offset the additional fees the City is charged for treatment at the Preston Wastewater Treatment Facility.
- The design and construction of the Boychuk Drive rail grade separation (underpass) are being completed as part of current, open capital projects. The approved budget for the construction project is \$11.6M funded through Development Charges and includes an external funding component of \$5.8M from Canadian Pacific Railway.

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## Background

### Trunk Sanitary Sewer

The proposed sanitary servicing strategy for the Broader East Side Lands was established through the East Side Lands Sanitary Servicing Class Environmental Assessment. The strategy will ultimately convey flows to the Kitchener Wastewater Treatment Facility.

In order to develop lands within the North Cambridge Business Park ahead of the construction of a sewer to Kitchener, the City completed a Class Environmental Assessment to identify a location for an interim Sanitary Pumping Station and forcemain alignment that would convey flows to the Preston Wastewater Treatment Facility in the interim.

An opportunity to upsize the sanitary trunk sewer required for the North Cambridge Business Park to accommodate flows from future development lands outside the City, including the Airport and Township of Woolwich lands located within Stage 2 of the East Side Lands was identified. A cost sharing agreement with the Region and Township is required to fund the oversizing of the sewer.

The Airport sanitary flows are currently collected in a holding tank and are pumped on a regular basis and trucked to a suitable disposal site. The Region would like to eliminate this process and has requested a connection to the trunk sewer for the existing sanitary flows. A cross border servicing agreement is required to allow this connection.

Region of Waterloo Council authorized staff to enter the cost sharing agreement on December 11, 2019 through Report PDL-AIR-19-07. Concurrent to this report, Region and Township staff are preparing reports for authorization to enter the cross-border servicing and cost-sharing agreements, respectively.

### **Railway Grade Separation (Underpass)**

The Master Environmental Servicing Plan (MESP) for the East Side Lands (Stage 1) identified the need for a new Collector Road from King Street in Kitchener through to Allendale Road in the City of Cambridge. As part of the development of the North Cambridge Business Park, the City is leading the design and construction of the Collector Road (now known as Boychuk Road).

The proposed Collector Road crosses the Canadian Pacific Railway at the municipal boundary. The MESP originally identified an at-grade crossing for this location; however, a ruling from the Canadian Transportation Agency identified a grade separation (underpass) was required with costs split 50/50 between the municipality and Canadian Pacific Railway. A Construction Agreement that outlines this cost sharing arrangement is required between Canadian Pacific Railway and the City as well as a Maintenance agreement for the City following construction.

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## **Analysis**

### **Strategic Alignment**

PROSPERITY: To support and encourage the growth of a highly competitive local economy where there is opportunity for everyone to contribute and succeed.

Goal #6 - Economic Development and Tourism

Objective 6.1 Support the creation and retention of high quality and diverse employment opportunities by becoming the destination of choice for business and entrepreneurship, including helping existing firms thrive and grow.

The construction of the trunk sanitary sewer and the railway grade separation (underpass) are key pieces of infrastructure in the development of the North Cambridge Business Park. They provide servicing and access to a new supply of employment lands that are some of the last large lot employment lands within the Region and are vital for the continued economic development for the Region as a whole.

As Waterloo Region is the fastest growing region in the Province, accessibility and connectivity to these employment lands are necessary. Movement of goods and services is dependent on a well-designed transportation network and the installation of said infrastructure will provide the necessities for the overall successful development of these lands. Investment in such infrastructure provides ease of development and good planning for the employment needs of the City and the Region now and in the future.

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## Comments

### **Trunk Sanitary Sewer**

Through a City-led design process, the sanitary sewer requirements for the North Cambridge Business Park have been identified. The sewer connects to the Interim Sanitary Pumping Station and ultimately the Preston Wastewater Treatment Facility (WWTF). The ultimate servicing strategy that conveys flows to the Kitchener WWTF will use the same trunk sewer. As such, it makes sense to oversize the sewer now for the future flows from Region and Township lands. This will eliminate significant costs and disruptions to residents and employers in the future.

The Interim Sanitary Pumping Station was designed for approximately 73 L/s, with the potential to increase to approximately 153 L/s. The existing flows from the Airport are approximately 6 L/s. Accepting those flows into the sanitary pumping station uses 8% of the current capacity and only 4% of the future capacity. City staff do not have concerns with the low flows discharging to the City's sewer system.

It is noted that the execution of a cross border servicing agreement for the existing Airport flows was a pre-requisite for the uploading of Speedsville Road to the Region and the downloading of Beverly Street to the City. However, in order to allow the design and construction of the pedestrian underpass on Beverly Street, the transfer of the two roads was separated and the transfer of Beverly Street is independent of the cross-border servicing agreement.

While execution of these agreements with the Region and Township is not required to provide servicing to City lands, the agreements do assist with providing a comprehensive servicing strategy for the larger area, and minimize future costs and disruptions to residents and property owners when additional infrastructure is required.

### **Railway Grade Separation (Underpass)**

The need for a railway grade separation (underpass) was confirmed through a ruling by the Canadian Transportation Agency, which also indicated cost allocations of 50/50 between the City and Canadian Pacific Railway. The Construction agreement will formalize the Canadian Transportation Agency direction and outlines Canadian Pacific Railway's conditions and requirements for the portion of works on their land. The Maintenance agreement outlines the responsibility of the City for the maintenance of the grade separation (underpass) once constructed.

Should the agreements with Canadian Pacific Railway not be executed, the construction of Boychuk Road could not proceed, eliminating a key transportation connection between the North Cambridge Business Park and King Street in the City of Kitchener.

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## Existing Policy/By-Law

Section 20 of the Municipal Act, 2001, S.O. 2001 c.25, as amended, provides authority for municipalities to enter into cross-border servicing agreements.

There are no existing corporate policies or by-laws.

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## Financial Impact

The construction of the first leg of the trunk sanitary sewer has been completed as part of capital project A/00432-40. The approved budget is \$13.5M funded through Development Charges, with a contribution from the Region and Township for \$0.3M for the oversizing of the trunk sewer.

The remainder of the trunk sewer is included in planned projects for the North-South Collector Road (A/00481-40) and Middle Block Road (A/00571-40). The planned budgets include contributions from the Region and Township for the oversizing of the trunk sewer.

The cross-border servicing agreement includes the provision that the Region pay the annual retail sanitary sewer rate as set out in the City's User Fee by-law. These fees will offset the additional fees the City is charged for treatment at the Preston Wastewater Treatment Facility.

The construction of the Railway Grade Separation (A/00431-42) is an approved capital project with a budget of \$11.6M funded through Development Charges. The approved budget includes a contribution from CP Railway for \$5.8M.

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## Public Input

With regards to the cost sharing and cross border agreements, the report has been posted publicly as part of the report process.

The completion of the various studies that support the Collector Road and the sanitary servicing strategy, including the Master Environmental Servicing Plan, the City's Class Environmental Assessment for the North Cambridge Business Park and the Region's Class Environmental Assessment for the East Side Lands Sanitary Servicing Strategy, have included public meetings at various stages throughout each of the studies.

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## Internal/External Consultation

The development of the cost sharing and cross border agreements with the Region of Waterloo and Township of Woolwich have been completed by Region, Township and City Legal Staff in consultation with Engineering staff from all municipalities. Staff from all municipalities will continue to be involved throughout the finalization of the agreement and the detailed design of the works.

Staff from the City's Legal, Risk, Operations and Engineering divisions will also continue to be involved throughout the finalization of the Canadian Pacific Rail Construction and Maintenance agreements as the detailed design of the works approach completion.

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## Conclusion

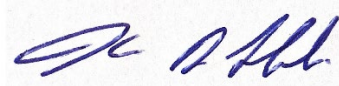
Staff recommend that Council authorize Mayor and Clerk to execute the cost sharing and cross border servicing agreements with the Region of Waterloo and Township of Woolwich as well as the construction and maintenance agreements with Canadian Pacific Railway.

By authorizing the Mayor and Clerk to execute these agreements, the City of Cambridge continues its investment in key infrastructure to support the development of the North Cambridge Business Park, providing the foundation for future expansion of services into the Region and Township, while ensuring responsible planning for the employment needs of the City and Region now and in the future, all in support of Objective 6.1 of the City's Strategic Plan.

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## Signature

### Division Approval



**Name: Kevin De Leebeeck**  
**Title: Director of Engineering**

Reviewed by the CFO

Reviewed by Legal Services

### Departmental Approval



**Name: Hardy Bromberg**  
**Title: Deputy City Manager, Community Development**

### City Manager Approval



**Name: David Calder**  
**Title: City Manager**

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## Attachments

- Figure 1 – Key Map



**Figure 1: Key Map**

