



**To:** COUNCIL  
**Meeting Date:** 3/28/2023  
**Subject:** Water Street Watermain Cost Sharing Agreement  
**Submitted By:** Kevin De Leebeeck, Director of Engineering  
**Prepared By:** Sarah Austin, Manager of Development Engineering  
**Report No.:** 23-194-CD  
**File No.:** A/00722-41  
**Wards Affected:** Ward 4

### **RECOMMENDATION(S):**

THAT Report 23-194-CD Water Street Watermain Cost Sharing Agreement be received;

AND THAT the Mayor and Clerk be authorized to execute a Cost Sharing Agreement with the Region of Waterloo and Cambridge Development Inc., to the satisfaction of the City Solicitor, for the replacement of municipal watermain on Water Street from Simcoe Street to Ainslie Street by Cambridge Development Inc.

### **EXECUTIVE SUMMARY:**

#### **Purpose**

This report seeks the authority for Mayor and Clerk to execute a cost sharing agreement with the Region of Waterloo and Cambridge Development Inc. for the replacement of watermain on Water Street between Ainslie Street and Simcoe Street as part of the works being completed by the Developer.

#### **Key Findings**

- The planned development at 130 Water Street North by Cambridge Development Inc. includes work within the municipal right-of-way.
- In an effort to coordinate construction and avoid future disruption to the travelling public, the City plans to replace municipal watermain on Water Street as part of these works.

- Works led by a Developer require a cost sharing agreement in order for the Developer to be able to recover the costs associated with the watermain replacement from the City.
- The planned works by Cambridge Development Inc. and the Region of Waterloo will create two-way traffic on Water Street between Ainslie and Simcoe Streets

### **Financial Implications**

- The replacement of municipal watermain was approved as part of the 2022 capital budget in the amount of \$780,000.

### **STRATEGIC ALIGNMENT:**

- Strategic Action; or
- Core Service

**Objective(s):** Not Applicable

**Strategic Action:** Not Applicable

**Program:** Water

**Core Service:** Water Distribution System Maintenance

The need for this watermain replacement was identified by Asset Management due to its age and to ensure continued performance of the municipal water distribution system.

### **BACKGROUND:**

The full reconstruction of Water Street, from Ainslie Street to Concession Street, has been identified as part of the Region of Waterloo's Transportation Capital Program, currently planned for 2030-2031. As part of the Region's project, the City has identified the requirement to replace the municipal watermain, primarily due to its age, and is included within the City's 2023-2032 capital forecast.

As part of the site plan application for the proposed development at 130 Water Street North, the Developer has been working with the Region of Waterloo to transition Water Street, from Ainslie Street to Simcoe Street, from the current one-way traffic alignment to a two-way traffic configuration.

## **ANALYSIS:**

The work planned by Cambridge Development Inc. and the Region of Waterloo involves partial reconstruction of Water Street between Simcoe Street and Ainslie Street with new sidewalk and multi-use trail, new curb and asphalt, and new storm sewer. The transition to two-way traffic also includes the construction of a slip lane at the Water/Ainslie Street divide that will allow northbound traffic on Water Street to merge with the southbound lanes on Ainslie Street. The construction of the slip lane requires the removal of the existing gateway feature located within the Region's road allowance at the Water/Ainslie Street divide (immediately north of the Shoppers Drug Mart property) in order to regrade the area to ensure required sight lines for traffic.

The Developer intends to restore the gateway area with landscaping in the form of bulbs, perennials, grasses and low-lying groundcover shrubs as illustrated in **Appendix A**. The associated costs for removal and restoration of the gateway area is to be covered by the Developer.

The planned work on Water Street presents an opportunity for the City to replace the watermain on Water Street between Simcoe Street and Ainslie in conjunction with the Region/Developer project while also offering some cost savings associated with removal and restoration of common items shared amongst the various parties.

The Developer will lead the design, tender and construction process, which will require a cost sharing agreement to allow the Developer to recover costs from the City once construction is complete.

Not proceeding with the cost sharing agreement at this time would mean that the replacement of the City's watermain would not be completed as part of the Developer led project. Given the age of this watermain, a separate City capital project would be required in the next 5 to 10 years to replace this section of watermain adding future disruption to the travelling public and increased costs in the absence of cost sharing common items.

## **EXISTING POLICY / BY-LAW(S):**

There is no existing policy/by-law.

## **FINANCIAL IMPACT:**

Capital project A/00722-41 Region – Water St (Ainslie to Simcoe Streets) approved as part of the 2022 Capital Budget includes the replacement of the City's watermain for \$780,000.

## **PUBLIC VALUE:**

### **Collaboration:**

The collaboration between the City, Region of Waterloo, and the Developer of 130 Water Street North ensures an efficient and cost-effective reconstruction project that meets the needs of all parties, including the continued operation of the City's water distribution system, while minimizing the impact of construction on the community.

## **ADVISORY COMMITTEE INPUT:**

### **Advisory Committees Consulted:**

Not Applicable.

## **PUBLIC INPUT:**

Posted publicly as part of the report process.

## **INTERNAL / EXTERNAL CONSULTATION:**

Internal consultation on the design of the City's watermain works has occurred between Engineering and Environmental Services staff.

External consultation with the Region and Developer regarding integration of the watermain works within the overall project have occurred through email, meetings and site visits.

## **CONCLUSION:**

Collaboration of the City, Region and Developer on the reconstruction of Water Street, including the creation of two-way traffic on Water Street between Ainslie and Simcoe Streets, will result in an efficient, cost effective project that minimizes disruption due to construction on the community. Staff recommend that Council authorize the Mayor and Clerk to execute a cost sharing agreement with the Region of Waterloo and Cambridge Development Inc. to facilitate the replacement of municipal watermain as part of the Developer led construction project.

## **REPORT IMPACTS:**

Agreement: **Yes**

By-law: **No**

Budget Amendment: **No**

Policy: **No**

**APPROVALS:**

**This report has gone through the appropriate workflow and has been reviewed and or approved by the following as required:**

**Director**

**Deputy City Manager**

**Chief Financial Officer**

**City Solicitor**

**City Manager**

**ATTACHMENTS:**

1. 23-194-CD Appendix A – Gateway Landscape Rendering