
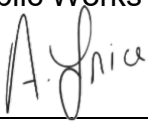





**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Growth Management Division**  
**and**  
**PUBLIC WORKS DEPARTMENT**  
**Hamilton Water Division**

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	September 9, 2020
<b>SUBJECT/REPORT NO:</b>	Airport Employment Growth District (AEGD) Wastewater Servicing Update and Capacity Allocation Policy (PED20040/PW20055) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Guy Paparella (905) 546-2424 Ext. 5807 Andrew Grice (905) 546-2424 Ext. 1461
<b>SUBMITTED BY:</b>	Tony Sergi Senior Director, Growth Management Planning and Economic Development Department
<b>SIGNATURE:</b>	
<b>SUBMITTED BY:</b>	Andrew Grice Director, Hamilton Water Public Works Department
<b>SIGNATURE:</b>	
<b>SUBMITTED BY:</b>	Gord McGuire Director, Engineering Services Division Public Works Department
<b>SIGNATURE:</b>	

**RECOMMENDATION(S)**

- (a) That Planning and Economic Development staff be directed to consult with relevant stakeholders and report back to General Issues Committee on the implementation of the Airport Employment Growth District Wastewater Capacity Allocation Policy, attached as Appendix “B” to Report PED20040 / PW20055, including:
  - (i) The annual solicitation / receipt of wastewater conveyance and treatment capacity allocation requests;
  - (ii) The format / content of the Airport Employment Growth District Wastewater Capacity Agreement;
  - (iii) The amount / deposit / payment method of current wastewater capacity allocation Development Charge Fees; and,
  - (iv) Any other implementation issues that may arise.
- (b) That, until such time as Council approves a Wastewater Capacity Allocation Policy for the Airport Employment Growth District, Planning and Economic Development staff be directed to include a standard condition for all development applications and approvals that require wastewater capacity allocation requiring the applicant to receive written confirmation (including an expiry date) from the Senior Director of Growth Management that adequate wastewater capacity exists and has been allocated for the development application, prior to proceeding with detailed engineering design; and,
- (c) That Planning and Economic Development staff be directed to formulate a City-Wide Wastewater Capacity Allocation Policy and report back to General Issues Committee in Q4 2021.

**EXECUTIVE SUMMARY**

The City of Hamilton, as the Development Approval Authority, determines and allocates wastewater conveyance and treatment capacity for all approved development. City Council has recently approved and invested substantial capital in wastewater infrastructure in and around the Airport Employment Growth District (AEGD) to support a growing, prosperous and healthy community. In order to maintain the provision of wastewater conveyance and treatment capacity in the AEGD, policies and guidelines are necessary to provide a consistent, fair, equitable and financially sustainable process in which wastewater capacity can be managed and aligned with the City's growth strategy and priorities. The purpose of this report is to provide Council with an update

on the status of AEGD servicing upgrades and to seek direction to consult with the relevant stakeholders and report back to General Issues Committee on the implementation of an Airport Employment Growth District Wastewater Capacity Allocation Policy intended to improve wastewater service delivery needed to protect the public health, safety, environment and quality of life of its citizens and developers. Appendix "B" to this Report outlines the Policy for which staff is seeking endorsement.

### **Alternatives for Consideration – Not Applicable**

### **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** There are no financial implications associated with the approval report.

**Staffing:** There are no staffing implications associated with the approval of this report.

**Legal:** Legal staff will review the format / content of the proposed Airport Employment Growth District Wastewater Capacity Agreement and Policy prior to staff reporting back to General Issues Committee.

### **HISTORICAL BACKGROUND**

The AEGD is a planned development area of 551 net developable hectares of employment land per the Secondary Plan. The Secondary Plan is bounded by Garner Road East and Twenty Road West to the north; Upper James Street to the west; Whitechurch Road West to the south; and, Fiddler's Green Road to the east, all of which has been designed to provide for a major business park development which effectively integrates with and complements the existing John C. Munro Hamilton International Airport.

City Council approved the creation of the AEGD through an Urban Boundary Expansion and Official Plan Amendment in 2010. Council's decision was appealed to the Ontario Municipal Board, which ultimately confirmed the boundary expansion and establishment of the AEGD on February 17, 2015.

The AEGD provides the opportunity to create a new employment area which improves live-work opportunities and helps meet provincial employment targets for the City. It supports the Airport as important infrastructure and as an economic driver, supports long-term prosperity, contributes to quality of life, and establishes a gateway for economic and goods movements for the City. In particular, the AEGD is intended to offer a range of employment and employment-related land uses in the context of an eco-industrial park, which provides for prestige industrial, light industrial, airport-related business and institutional development as well as an environmental footprint that is

managed through a range of urban design and eco-friendly sustainable design techniques. All of which allows for the development of land uses consistent with the character of surrounding lands.

The long-term servicing strategy for the AEGD is set out in the Water and Wastewater Master Plans which were approved as part of the Ontario Municipal Board decision. These Master Plans are comprised of two Servicing Phases. The development of the Phase One Servicing Area was based on existing Municipal water and wastewater servicing infrastructure provisions at the time of the AEGD approval. Phase Two Servicing Area is dependent on the extension of the Dickenson Road Wastewater Trunk Sewer project.

With a renewed focus on air cargo / transportation, the City of Hamilton has a prime opportunity to develop and promote the AEGD as a North American Gateway hub for logistics, distribution and goods movement. Interest for development in the AEGD was very high prior to COVID, and has remained high even during the COVID period. Within the last 18 months the AEGD lands have become a prime opportunity to attract new developments, which are expected to come online in the near future, with the potential creation of over 2,800 - 3,200 quality jobs and the construction of over 10 - 12 million square feet of industrial and commercial assessment.

While work continues to implement the AEGD master plan to ultimately provide full servicing for the build-out of the AEGD, fast-tracking interim servicing measures in the AEGD to provide more shovel-ready opportunities is a priority for the City.

Hamilton Water staff completed a review of existing operating conditions in 2018 within the AEGD servicing areas and documented required conceptual design for infrastructure upgrades and rehabilitation needs to fast-track business park servicing. The conceptual design identified short term opportunities to increase vertical and horizontal or linear capacity through a series of projects and upgrades. The results of the review concluded that mechanical and electrical work is required at the following wastewater outstations: HC018, HC019, and HC027. See Appendix "A" attached to Report PED20040 / PW20055 for outstation locations.

On December 19, 2018, City Council approved the following as part of the 2019 Rate Budget:

- (y) That the Airport Employment Growth District (AEGD) Infrastructure Growth Initiative (English Church Road Area), to be funded as follows, be approved in the amount of \$11 Million and be added to the City's 2019 Rates Capital Budget:

- (i) \$6.93 Million from the City's Linear Wastewater Residential Development Charge Reserve (110340); and,
- (ii) \$4.07 Million from the City's Linear Wastewater Non-Residential Development Charge Reserve (110341); and,
- (z) That the matter respecting the \$11 Million Airport Employment Growth District Infrastructure Growth (English Church Road Area) Initiative be referred to the Development Charge Background Study.

As well, at the December 19, 2018 City Council meeting, an additional \$4 Million was approved as part of the Rates Capital Budget to bring the total to \$15 Million.

As such, City Council approved a broad scope of work including the procurement of engineering design, contract administration services and specialized equipment for the capacity upgrades to the wastewater system at the HC018, HC019 and HC027 pumping stations. The timing of this work is critical to the success of new businesses and employment opportunities within the AEGD. In order to be in a position to initiate construction in 2020 and expedite completion of the wastewater upgrades within the timeframe required for the development community, staff recommended and received approval for a procurement strategy, which gave the best-case scenario to fast track the delivery of these projects. It is expected this strategy will reduce the overall project schedule by six (6) months allowing for project completion by spring 2021.

To this end, Hamilton Water is pushing forward with the following vertical infrastructure upgrades and will work with the Engineering Services Division to undertake horizontal or linear infrastructure upgrades as well.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

Development Approvals under the *Planning Act* for Plans of Subdivision, Condominiums, Site Plans and Consents will be affected by the implementation of the AEGD Wastewater Capacity Allocation Policy. Wastewater conveyance and treatment capacity will be allocated on a Phase or Site-Specific basis, subject to conveyance and treatment capacity availability. As part of their development approval, Applicants / Developers will be required to enter into a Wastewater Capacity Allocation Agreement, which will include monitoring criteria, any financial requirements, and a timeframe for development of up to three years.

## **RELEVANT CONSULTATION**

The following groups were consulted and provided input to this report:

Planning and Economic Development Department, Growth Management Division

Public Works Department, Hamilton Water Division and Engineering Services Division

## **ANALYSIS AND RATIONALE FOR RECOMMENDATIONS**

### Current AEGD Development Activity

Over the last two years, the City of Hamilton has witnessed unprecedented demand for industrial zoned property in the Airport Employment Growth District (AEGD) from both end-user clients and the development industry.

During this two-year span, over 700 acres of AEGD lands have been purchased by major industrial development companies that have plans to collectively develop well over 7 million square feet of new industrial product. Employment projections from these developments would be based on the potential end users of these facilities, but a conservative estimate has total employment in the range of 3,500 - 4,500 living wage job opportunities.

There are currently three significant industrial projects under construction within the AEGD which include;

- DHL Express is expanding its existing gateway at John C. Munro Hamilton International Airport by 200,000 square feet. Total investment \$100 million;
- Panattoni Development is currently constructing a \$30 million, 264,000 square foot warehouse; and,
- KF Aerospace, Canada's largest maintenance, repair and overhaul aviation firm, is completing a \$30 million 120,000 square foot expansion at the John C. Munro Hamilton Airport

As of June 3rd, 2020, there were 26 active development applications within the Airport Employment Growth District yielding 552 single detached dwellings; 5 semi-detached dwellings; 853 townhouse dwellings; 1,327 apartments; and 7,203,279 square feet of non-residential development.

### Dickenson Road Wastewater Trunk Sewer Status Update

The long term servicing strategy for the AEGD is dependent upon a trunk sewer on Dickenson Road, which was identified through the Water and Wastewater Master Plan. This trunk sewer must be extended from Regional Road 56 along Golf Club Road to Trinity Church Road and along Dickenson Road to Upper James Street (approximately 11 km). Construction of the estimated \$100 million project is anticipated to start in 2021 and be complete by first quarter of 2025.

In the interim, prior to the completion of the Dickenson Road Trunk Sewer, the City is implementing a number of upgrades to its existing wastewater infrastructure in order to provide increased interim capacity. The status and timing of these upgrades is described below.

Vertical Wastewater Infrastructure Project Status Update

GM BluePlan Engineering (GMBP) and AECOM were retained by the City under separate assignments to design and administer construction contracts at the following vertical wastewater pump station sites (refer to Appendix “A” attached to Report PED20040 / PW20055):

- Homestead Wastewater Pumping Station (HC027);
- English Church Wastewater Pumping Station (HC019); and,
- Twenty Road Wastewater Pumping Station (HC018).

The objective of these facility upgrades is to design pumping, electrical and standby power equipment replacement in order to achieve the capacity requirements to accommodate growth in the AEGD. The design for the wastewater pump station at these sites is currently underway with timelines and budget shown in Table 1 below.

**Table 1 – AEGD Vertical Wastewater Infrastructure Project Timelines:**

Station	Design Completion	Construction Completion	Estimated Cost (\$M)
HC027	March 2020	December 2020	\$2.0M
HC019	March 2020	December 2020	\$1.5M
HC018	April 2020	April 2021	\$4.5M

In September 2019, Council approved a modified project delivery model for the procurement of equipment and design services at pump station HC018 to expedite the project. At pump stations HC019 and HC027 mechanical and electrical equipment is also being pre-purchased through a competitive process to accelerate the construction phase of the project.

Linear Wastewater Infrastructure Project Status Update (Upper James  
Forcemain)

To accommodate the additional pumping capacity generated by the pumping station upgrades, a new forcemain on Upper James Street from Twenty Road Pump Station to the sewer manhole north of Christopher Drive is required. Wood Consulting Engineers was hired to provide detailed design consulting services for this 0.8 km forcemain project and to obtain the necessary permits to facilitate construction (refer to Appendix “A” attached to Report PED20040 / PW20055). The forcemain, which is estimated to cost \$2.5M, will be tendered in Q3 2020 and is anticipated to be operational by Q2 2021.

AEGD Wastewater Capacity Allocation Policy

The City of Hamilton, as the Development Approval Authority determines and allocates wastewater conveyance and treatment capacity for all approved development. Development approvals cannot and should not be granted or development rights conferred upon a property without receiving servicing allocation, particularly wastewater capacity allocation. Where there is limited wastewater capacity available, as in the AEGD, policies and guidelines for the allocation of this capacity are necessary to provide a consistent, fair, equitable and financially sustainable process in which wastewater capacity can be managed and aligned with the City’s growth strategy and priorities. Recommendation (a) to Report PED20040 / PW20055 seeks approval to consult with relevant stakeholders on the AEGD Wastewater Capacity Allocation Policy provided in Appendix “B” to Report PED20040 / PW20055.

Hamilton City Council through the adoption of the Term of Council Priorities, Economic Development Action Plan, Official Plan, annual budgets and other City policy has provided the framework and guiding principles in determining the capacity allocation priorities. Priorities such as Economic Prosperity and Growth, Clean and Green, and Built Environment and Infrastructure are key in establishing these priorities.

The AEGD Wastewater Capacity Allocation Policy includes the following:

- Purpose and Intent ;
- City of Hamilton’s Role in Determining Wastewater Capacity Allocation;
- Sustainability Criteria Policy;
- AEGD Wastewater Capacity Allocation Policy;
- Wastewater Capacity Allocation Agreement Policy;
- Public Interest Projects Policy;
- Reversion or Removal of Wastewater Capacity Allocation Policy; and,
- Controlling Policy.



**SUBJECT: AEGD Wastewater Servicing Update and Capacity Allocation Policy (PED20040/PW20055) (City Wide) - Page 9 of 9**

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Staff is requesting direction to consult with relevant stakeholders and report back to General Issues Committee on a final AEGD Wastewater Capacity Allocation Policy, specifically including:

- (i) the annual solicitation / receipt of wastewater conveyance and treatment capacity allocation requests;
- (ii) the format / content of the Airport Employment Growth District Wastewater Capacity Agreement;
- (iii) the amount / deposit / payment method of current wastewater capacity allocation Development Charge Fees; and,
- (iv) any other implementation issues that may arise as part of the consultation.

As well, staff are recommending that, until such time as Council has adopted an allocation policy, that all development applications and approvals requiring wastewater capacity allocation include a standard condition of approval requiring the applicant to receive written confirmation (including an expiry date) from the Senior Director of Growth Management that adequate wastewater capacity exists and has been allocated for the development application, prior to proceeding with detailed engineering design.

**ALTERNATIVES FOR CONSIDERATION**

Not Applicable.

**ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

**Economic Prosperity and Growth**

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

**Built Environment and Infrastructure**

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A”-	AEGD Vertical and Horizontal Projects Sites
Appendix “B”-	City of Hamilton Airport Employment Growth District (AEGD) Wastewater Capacity Allocation Policy

GP/as