



The Corporation of the Town of Milton

Report To: Council

From: Jill Hogan, Commissioner, Development Services
Glen Cowan, Chief Financial Officer / Treasurer

Date: December 18, 2023

Report No: DS-057-23

Subject: Trafalgar and Agerton Master Environmental Servicing Plan - Budget Increase, Funding Agreement and Contract Increase

Recommendation: THAT Council approve a budget increase of \$338,127 (inclusive of HST) for the Trafalgar and Agerton Master Environmental Servicing Plan (MESP) funded by the Milton P4 Trafalgar Landowners Group;

AND THAT the Mayor and Town Clerk be authorized to execute a funding agreement between the Town and the Milton P4 Trafalgar Landowners Group for the Trafalgar and Agerton MESP budget increase;

AND THAT the Commissioner of Development Services be given delegated authority to negotiate a draft funding agreement prior to execution; subject to the satisfaction of the Chief Financial Officer/Treasurer and the Town's legal counsel;

AND THAT upon execution of the funding agreement, Council authorize a contract increase of \$261,981.90 (exclusive of HST) to WSP for the completion of the Trafalgar and Agerton MESP;

AND THAT the Manager, Purchasing and Supply Chain Management be authorized to execute the contract changes, as outlined by the purchasing by-law.

EXECUTIVE SUMMARY

- This report is seeking Council approval for a budget increase to complete the Trafalgar and Agerton Master Environmental Servicing Plan (the MESP).
- The Town and landowners have identified the opportunity to have the budget increase funded by the Milton P4 Trafalgar Landowners Group (Trafalgar LOG) in order to ensure timely completion of the works given the legislative changes related to development charges and the current deficit position of the Town's Growth Studies Development Charge reserve fund.

EXECUTIVE SUMMARY

- This report is also seeking Council approval for an increase to the existing consulting services contract with WSP for the completion of the MESP. It is recommended that the contract increase only be executed upon execution of the funding agreement with the Trafalgar LOG.

REPORT

Background

A Master Environmental Servicing Plan is the second stage of the environmental planning process that takes into consideration the natural heritage system (NHS) and environmental principles and criteria while developing more detailed servicing plans (storm, water, wastewater, roads) to support Secondary Plan programs. The Trafalgar and Agerton MESP was initiated in 2018 to support the Trafalgar Secondary Plan and the Agerton Secondary Plan.

As outlined in report PD-049-18, the Trafalgar and Agerton MESP (the MESP) uses a different approach, compared with previous secondary plan areas. The MESP is undertaking a more detailed assessment at the secondary plan stage by including analysis that previously would have been undertaken at the tertiary plan stage.

Council, through report PD-049-18, awarded the contract for the completion of the MESP to Wood Environment and Infrastructure Solutions (Wood) in September 2018. Wood was subsequently acquired in 2022 by the firm WSP. As such, the contract for the completion of the MESP now lies with WSP.

Through PD-049-18, the contract was awarded in the amount of \$1,136,078 (exclusive of HST). Subsequently, the contract was increased by \$13,342 in April 2019. The current contract total is \$1,149,420 (exclusive of HST). The MESP award and past increase were funded from the Growth Studies Development Charge Reserve Fund.

After the initiation of the project in 2018, the following key milestones have been completed by the consulting team:

- Field Program
- Existing Conditions Report
- Impact Assessment for “do nothing” scenario

Discussion

The approach taken for the Trafalgar and Agerton MESP to advance the more detailed assessment at an earlier planning stage has benefited from a higher level of collaboration with the landowners groups. From 2020 to 2023, the following tasks were undertaken beyond the original work plan:

Discussion

- Receipt and review of supplemental Landowner Information (2020-2021)
- Update of Existing Conditions Report (January 2022)
- TAC meeting to present updated Existing Conditions (January 2022)
- Receipt and review of supplemental Landowner information (2022)
- Meetings with Town and Landowner representatives (throughout 2022 and 2023)
- Update of Existing Conditions Report and submission to Town (May 2023)

In October 2023, the consulting team reviewed and updated the work plan required to complete the MESP. Due to the tasks listed above that were beyond the original work plan and taking into account the remainder of the tasks required to complete the MESP, the consulting team has estimated that \$261,981.90 (exclusive of HST) of additional fees are required.

A budget increase for the Trafalgar and Agerton MESP project (C90015118) is required to fund the additional Other Professional Fees (consultant fees), Contingency and Project Management Recovery (Town Staff time costs). A 10% contingency on top of the after-tax Other Professional Fees increase is recommended. Based on the remaining work plan, an increase to the Project Management Recovery budget for additional Town Staff time costs is also required. A combined budget increase of \$338,127 (inclusive of HST) is being requested.

Due to recent changes to the *Development Charges Act* through Bill 23: *More Homes Built Faster Act, 2022*, it is unlikely that these additional costs could be recovered through future development charge by-laws and collections. As such, and in order to avoid any delay in the study process given the current deficit position of the Town's Growth Studies Development Charge Reserve Fund, staff and the landowners identified the opportunity to have the incremental costs for the study be directly funded by the Milton P4 Trafalgar Landowners Group (Trafalgar LOG) through a funding agreement.

Staff have prepared a draft funding agreement, and at the time of drafting this staff report are in the process of reviewing it with external legal counsel. The proposed terms and conditions of the agreement are aligned with other similar funding agreements and include the following:

- Definition and scope of the additional works to be funded by the Trafalgar LOG
- Requirement of the Trafalgar LOG to fund 100% of the cost increase of \$338,127, with no obligation for a future repayment of all or part of the costs from the Town
- Commitment from the Town to investigate alternative funding sources and if permitted by legislation and at the sole and absolute discretion of the Town, to include the costs in a future Town Charge By-law for future repayment to the Trafalgar LOG

Although the Trafalgar Secondary Plan and the Agerton Secondary Plan were initiated concurrently, the Trafalgar Secondary Plan proceeded at a faster pace than the Agerton Secondary Plan. Although still under appeal, the Trafalgar Secondary Plan has been adopted by Town Council and more detailed land use inputs are available. The Agerton Secondary Plan has yet to be adopted by Council.



Discussion

The work plan included in the \$261,981.90 (exclusive of HST) additional consultant fee estimate includes a detailed impact assessment for the Trafalgar Secondary Plan Area based on more detailed land use inputs; while a high-level assessment for the Agerton Secondary Plan Area will be done based on the June 2022 draft of the Agerton Secondary Plan.

Should there be significant differences between the June 2022 draft Agerton land use plan and the final adopted and approved Agerton land use plan, as well as between the corresponding drainage plans, a further level of assessment will be required in the future to validate and refine the recommendations of the MESP. It is anticipated that any further study work for the Agerton Secondary Plan Area (Agerton Annex) will need to be funded by the Agerton Landowners Group.

The Trafalgar and Agerton MESP is scheduled to be completed and finalized by end of Q2 2024. The need, scope and timing of further more detailed study for Agerton will be reviewed once the Agerton Secondary Plan is finalized. The current work plan has been reviewed with and agreed to by the Trafalgar and Agerton Landowners Groups to allow planning processes for the Trafalgar Secondary Plan Area to move forward.

With Council's approval and upon execution of a funding agreement with the Milton P4 Trafalgar Landowners Group, a \$261,981.90 (exclusive of HST) contract increase will be awarded to WSP for the completion of the MESP. The new contract total with WSP will be \$1,411,401.90 (exclusive of HST).

Financial Impact

As noted above, staff are recommending a budget increase in capital project C90015118 for the Trafalgar and Agerton MESP summarized as follows:

Description	Amount
Other Professional Fees	266,593
Contingency	26,659
Project Management Fees	44,875
Total Budget Increase	\$338,127

The existing approved budget for the MESP was funded from the Growth Studies Development Charge Reserve Fund, which is currently in a deficit position. Recent changes to the Development Charges Act through Bill 23: *More Homes Built Faster Act, 2022*, have removed growth studies as a development charge eligible expense and as such, it is unlikely



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the Town will be able to include these additional costs in a future development charge by-law.

In an effort to prevent further deficits in the Growth Studies DC reserve fund and to ensure that the study process can continue without delay, staff and the landowners have identified the opportunity to have the budget increase be funded by the Milton P4 Trafalgar Landowners Group through a funding agreement. As a result of the proposed funding agreement, there is no anticipated long-term financial impact to the Town of the additional works.

Respectfully submitted,

Jill Hogan
Commissioner, Development Services

Glen Cowan
Chief Financial Officer / Treasurer

For questions, please contact:	Wendy Chen	Phone: Ext. 2296
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Approved by CAO
Andrew M. Siltala
Chief Administrative Officer

Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.