

If you require this information in an alternate format, please contact the Accessibility Coordinator at accessibility@northumberland.ca or 1-800-354-7050 ext. 2327



## Report 2024-054

**Report Title:** Castlegrove Homes Cost Sharing Agreement

**Committee Name:** Public Works

**Committee Meeting Date:** April 4, 2024

**Prepared by:** Denise Marshall  
Director, Public Works  
Public Works

**Reviewed by:** Matthew Nitsch  
Director of Finance/Treasurer  
Finance

Darrell Mast  
Municipal Solicitor

**Approved by:** Jennifer Moore, CAO

**Council Meeting Date:** April 17, 2024

**Strategic Plan Priorities:**  Innovate for Service Excellence  
 Ignite Economic Opportunity  
 Foster a Thriving Community  
 Propel Sustainable Growth  
 Champion a Vibrant Future

---

### Recommendation

“**That** the Public Works Committee, having considered Report 2024-054 ‘Castlegrove Homes Cost Sharing Agreement’, recommend that County Council direct staff to enter into a cost sharing agreement with Castlegrove Homes (Cobourg) Inc. for infrastructure work to be completed on Elgin Street West, Cobourg, noting that this work is included in the County’s Development Charge Background Study and in the 2024 Capital Construction Plan, and that it will be funded from County Development Charges, with the County’s portion to be approximately \$1,295,906.34.”

---

### Purpose

The purpose of this report is to direct staff to proceed with entering into a cost sharing agreement with Castlegrove Homes (Cobourg) Inc. (Castlegrove) for the completion of

infrastructure works on Elgin Street included in Northumberland County's (County) Development Charge Background Study.

## **Background**

Castlegrove is developing a 72-unit residential subdivision on the south side of Elgin Street West, between Wilkins Gate and Rogers Road in the Town of Cobourg. The development received draft plan approval in January 2021 and Castlegrove is working with the Town of Cobourg to finalize and execute the Subdivision Agreement.

The previous developer of the site received approval and entered into a pre-servicing agreement with the Town of Cobourg in 2018. The on-site services were installed in 2018 by the developer's contractor, Behan Construction.

As part of the approved Works for the subdivision, additional servicing is required on Elgin Street West including watermain, sanitary, and storm sewer. This section of Elgin Street (County Road 2) from just west of Rogers Road to New Amherst Boulevard is also included in the County's Development Charge Background Study for the County Road 2 Environmental Assessment that was completed in 2016 and is proposed to be widened to four lanes with cycling lanes and urbanized (curb and gutter and storm sewer).

Since additional storm capacity was required for the development and for widening associated with the County Road 2 EA, the design was completed with a sewer sized to accommodate both, rather than proceed in isolation resulting in multiple storm sewers in the County Right of Way. As a condition of Draft Plan Approval, the developer is to enter into a cost sharing agreement with the County for their respective share of the infrastructure work.

Construction on site and Elgin Street is anticipated to Commence in April 2024 pending execution of the Subdivision Agreement and Cost Sharing agreement with the County.

## **Consultations**

N/A

## **Legislative Authority / Risk Considerations**

A cost sharing agreement will be developed and reviewed by legal counsel prior to execution.

The developer will retain the contractor to complete the works within the County ROW and will be responsible to comply with all relevant guidelines and legislation including but not limited to the Occupational Health and Safety Act, R.S.O, 1990 (OHSA), O. Reg. 406/19: On-Site and Excess Soil Management, Ontario Traffic Manual Book 7 for Traffic Control, etc. The contractor will also be required to obtain a ROW permit from the County and any other required agency approvals.

## **Discussion / Options**

Castlegrove has retained Behan Construction to complete the road and related infrastructure works within the residential development (pre-servicing on site already completed as outlined above) and on Elgin Street.

The County has included this section of DC eligible work within the 2024-2026 Capital Construction Budget, however, based on the timelines, the developer required the Egin Street

works to be completed sooner than the County was planning to implement the full DC recoverable work, which could delay the development. Allowing Castlegrove to proceed with the work including a portion of the County DC recoverable work will result in efficiency, reduction in rework and waste of materials, and cost savings (economies of scale and escalation) by having work completed prior to when the County planned to complete the works and as part of a larger tender.

Allowing developers to complete this type of work under a development agreement is a common wide-spread municipal practice.

### **Financial Impact**

A detailed cost estimate was prepared and reviewed by County Staff for the Elgin Street Works and the County share including a 10% contingency is estimated at \$1,295,906.34. The section is included in the County DC Background study and is 100% DC recoverable. The final as constructed cost for the County portion will be reimbursed to Castlegrove and will be funded from County Development Charges.

Terms for payment, performance guarantees and maintenance guarantees will be included in the cost-sharing agreement and/or development agreement, among other required clauses to permit work within the County ROW.

### **Member Municipality Impacts**

As mentioned above, servicing for water and sanitary sewer are also proposed to be completed as part of this scope of work on Elgin Street. The design drawings for the Elgin Street Works include the Town of Cobourg infrastructure and have been reviewed and approved by the Town and will be included as part of the Subdivision Agreement as well as all other required provisions between the Town of Cobourg and Castlegrove. The Town and County will continue to work closely to finalize the Development Agreement and complete required review and inspections during construction.

### **Conclusion / Outcomes**

It is recommended that County Council direct staff to proceed with entering into a cost sharing agreement with Castlegrove Homes (Cobourg) Inc. (Castlegrove) for the completion of infrastructure works on Elgin Street included in Northumberland County's (County) Development Charge Background Study to be funded from County Development Charges.

### **Attachments**

N/A