

**Meeting Date:** July 15, 2024  
**Department:** Building, By-law and Planning  
**Report No.:** BBP-2024-79  
**Prepared by:** Jake DeRidder, Senior Development Coordinator  
**Submitted by:** Jennifer Huff, Director of Building & Planning  
**Approved by:** Trisha McKibbin, Chief Administrative Officer

**SUBJECT:** Southgrove Assumption Report

---

**RECOMMENDATION:** THAT: Council receive report BBP-2024-79 Southgrove Assumption Report for information.

## **BACKGROUND:**

At the June 17<sup>th</sup>, 2024 Council meeting, Council directed staff to bring forward a report regarding the assumption of the South Grove subdivision.

The South Grove subdivision was developed in 5 phases with the original subdivision agreement being executed on August 31<sup>st</sup>, 2015. Since then, phases 1-4 have been mostly constructed with only a few lots currently under construction within phase 4. There was also the development of a condominium block in 2018 at the north eastern limits of the site.

As part of this original approval, the subdivision was approved with the use of infiltration systems within the road allowance and various rear yards in order to manage the stormwater as there was no off site outlet for stormwater available. This infiltration system has its limitations especially during heavy rain events or wet seasons as the ground becomes over saturated and often results in ponding of water within the road and various rear yards.

In 2020, Phases 1 and 2 were assumed by the municipality.

Upon receiving multiple complaints about the stormwater, staff alongside the developer and their engineer began investigating the cause and possible solutions. In light of the concerns with the functioning of the stormwater management system on site, staff made the decision not to assume any

further phases of the development until the stormwater system issues could be investigated and upgraded (if necessary) to handle the ponding of water mentioned above. The final phase (phase 5) has also not been draft approved and has been held from receiving draft approval until the stormwater system is upgraded as the plan would need to be modified to account for a new stormwater management pond.

After lengthy investigations and the review of various different proposals and ideas, staff and the developers engineer have come to agreement on a solution that includes the following:

- Installation of a new stormwater management pond located within phase 5. For clarity, this pond was not part of the original design and requires the reduction of 2 building lots within phase 5. This pond will outlet to Saxton Road which outlets to the soon to be installed Strathroy-Crossings Drain.
- Installation of new storm sewers along parts of Elliot Street, Elwood Street and Collins Way (in both assumed and unassumed areas) that are directed to the new stormwater management facility.
- Connection of various rear yard catchbasins to the new storm sewers for those backyards which have had ponding of water in the past.
- Establishment of improved overland flow routes

The goal of the stormwater improvements is not to remove ponding of water entirely, but rather to give the infiltration systems a relief once they become overwhelmed and saturated. Some ponding during heavy rains is still expected as ponding is typical for any stormwater system during heavy rain events. The improvements however, will significantly improve the time it takes for any ponding of water to be removed after those heavy rain events as it will no longer be solely reliant on infiltration.

The developer has offered and agreed to pay for the installation of all these stormwater fixes prior to the assumption of the subdivision. It is estimated that the fixes will cost approximately \$550,000 plus the lost revenue for the 2 lots that the stormwater management pond will be located on, for a total of approximately \$1.1 million. It is worth noting that while the stormwater pond is also accepting a portion of stormwater flows from Saxton Road, the developer has not requested any financial contribution from the municipality for this.

The original subdivision agreement did not include any requirements for the park block as the park is located within phase 3. The phase 3 amending agreement however did require the construction of a pavilion with lighting, which is estimated at approximately \$100,000. This was included as a requirement because the park block is less than 5% of the total land area, therefore requiring a cash-in-lieu payment in order to satisfy the 5% parkland dedication requirement of the *Planning Act*.

## **COMMENTS:**

### Phase 5 Subdivision Agreement

The phase 5 subdivision agreement is currently in draft form and includes provisions for the installation of the stormwater management improvements, dedication of the park block to the

municipality within 1 year of execution of the agreement, and assumption of the remainder of the subdivision (excluding phase 5) once the park block is dedicated to the Municipality.

### Early Assumption

There has been an expression of interest to understand what implications early assumption of the subdivision would have on the municipality. Typically, prior to assumption of a subdivision, staff would review the subdivision agreements and ensure the developer is completing all obligations in the agreements. Also, staff work with various departments to inspect the works and ensure everything is repaired and meets municipal standard: if something is deficient, the developer is obligated to repair or replace. Additionally staff would receive as-built drawings and asset inventory lists to be used during the municipality's yearly audits. Early assumption would result in some of these processes not being complete.

In addition to the above processes not being complete, the following are some of the obligations staff anticipate would not be completed as result of early assumption:

- Will relieve the developer of the obligation to satisfy the 5% cash in lieu of parkland contribution (approx. \$100,000);
- The Municipality would become responsible for assets in unknown condition that may be in need of repair. All repairs would be at the cost of the municipality;
- There would be no obligation for the developer to complete the stormwater improvements leaving the municipality to install the works (approx. \$550,000);
- Municipal contribution towards the new stormwater pond for an outlet for the stormwater improvements (approx. \$100,000);
- Topcoat of asphalt has not yet been completed for phases 3 & 4 because the stormwater improvements will require ripping up of various sections of the road. Installation of topcoat would become the responsibility of the municipality (approx. \$300,000).

Staff have also explored the possibility of only assuming the park block early so that the municipality may start on the construction of the park. The developer has advised that their insurance advised of liability concerns with having the park assumed prior to the adjacent roads being assumed. Early assumption of the roads would result in significant costs to the municipality as mentioned above.

### Moving Forward

In order for the park to be assumed, staff recommend that the stormwater improvements be completed by the developer so that the surrounding roads can also be completed by developer, per the original subdivision agreement obligations. For clarity, the following is an estimate of the order of events leading up to assumption:

1. Strathroy Crossings Drain and Saxton Road substantially completed in 2024 by the municipality.
2. Internal Subdivision stormwater fixes and grading of Phase 5 intended to be completed by the developer in fall of 2024.

3. Assumption process begins. Curb, sidewalks, water lines, curb stops, roads, etc. are inspected by the municipality and repaired by the developer starting mid-2025.
4. Assume park and phases 3 & 4 mid-to-late 2025.
5. Complete design of park by end of 2025, possibility start construction.
6. End of Warranty period for Phases 3 & 4 to be complete early 2026.

**CONSULTATION:**

Director of Community Services

It's noted that the Municipality is hosting a virtual Public Information Session on the related Saxton Rd capital project on July 18<sup>th</sup> and this invitation has been sent to all residents within the Southgrove Subdivision as well as residents who live along Saxton Road in the area.

**FINANCIAL IMPLICATIONS:**

At the time of writing this report, it is anticipated that approximately \$1.15m would be required to fulfil the remaining obligations the developer has not yet completed, plus the stormwater system improvements if Council wishes to assume the subdivision on an as-is basis. There is currently no budget item for this.

**ALTERNATIVE(S) TO THE RECOMMENDATION:**

1. Council to provide alternate direction.

**STRATEGIC PLAN ALIGNMENT:**

This matter is in accord with the following strategic priorities:

- **Managing the Challenges of Growth for the Municipal Organization:** Strathroy-Caradoc will be an inclusive community where growth is managed to accommodate a range of needs and optimize municipal resources. We are committed to maintaining operational efficiency and economies of scale through these times of change.

**ATTACHMENTS:**

**NONE**