
Subject: Award of DC Eligible Projects to Bethesda Road Developments Limited (BRDL) and TH (Bethesda) Developments Inc. under the Town's Procurement By-Law and Development Charge Background Study

Staff Report No. EPW-011-25

Department/Commission: Engineering and Public Works Commission

Date: June 18, 2025

Recommendation:

- 1) That Council authorize the advancement of DC eligible projects W01, WW17, and WW18 to the 2025 Capital Budget;
- 2) That Council authorize the award of the design and construction of DC eligible projects part of WW17 and WW33 to Bethesda Road Developments Limited (BRDL);
- 3) That Council authorize the award of the design and construction of eligible projects W01, part of WW17, and WW18 to TH (Bethesda) Developments Inc.;
- 4) That Council direct staff to enter into the necessary agreements with the developer Bethesda Road Developments Limited (BRDL), subject to the Town's legal department review and amendments;
- 5) That Council direct staff to enter into the necessary agreements with the developer TH (Bethesda) Developments Inc., subject to the Town's legal department review and amendments; and
- 6) That Council authorize the Mayor and Clerk to execute the necessary documents.

Report Highlights

- DC eligible projects W01, WW17, WW18, and WW33 are proposed to be awarded to Bethesda Road Developments Limited (BRDL) and TH (Bethesda) Developments Inc. (TH (Bethesda)) to be constructed as part of draft plans of subdivision 19T(W) 22.002 and 19T(W)22-001 respectively.

- Staff is seeking approval from Council for key infrastructure projects to be completed by two developers - Bethesda Road Developments Limited and TH (Bethesda) Developments Inc.
- The projects are included in the Town's 2024 Water and Wastewater Master Plan and 2023 DC Background Study.
- Staff have determined that there is a benefit to the Town by having the Developer deliver the infrastructure identified from both a cost efficiency and a schedule perspective.

1. Purpose:

The purpose of this report is to seek Council endorsement to award DC eligible projects W01, WW17, WW18, and WW33 to Bethesda Road Developments Limited (BRDL) and TH (Bethesda) Developments Inc. (TH (Bethesda)), in accordance with the Town's 2023 Development Charge Background Study, as amended, and 2024 Water and Wastewater Master Plan.

2. Background:

The developments of Bethesda Road Developments Limited (5731 Bethesda Road) and TH (Bethesda) Developments Inc. (5481–5551 Bethesda Road) require the construction of key infrastructure, including sanitary sewers and watermain, to support planned growth in the area under the draft plan of subdivisions 19T(W) 22.002 and 19T(W)22-001 respectively.

While much of this infrastructure is considered local servicing and is funded directly by the developers, certain components of the water and wastewater systems are identified under the 2023 Town's Development Charges (DC) Background Study and the 2024 Water and Wastewater Master Plan. As such, these components are eligible for funding through the Town's DC reserves other Town revenue streams.

It is common practice in the industry for a municipality to allow DC eligible infrastructure to be constructed by developers, particularly when the works are located on private lands that are expected to be conveyed to the municipality or other public agencies upon registration of the subdivision, or when the infrastructure is required to service the proposed development. In many cases, these works are natural extensions of infrastructure already being constructed as part of the development.

To date, these developers have initiated and submitted engineering designs related to internal and external works, including the W01, WW17, WW18, and WW33 DC eligible projects. The locations of the DC projects discussed in this report are shown in Attachments #1 and #2.

The distribution of DC eligible Water and Wastewater DC projects within Bethesda Road Developments Limited and TH (Bethesda) Developments Inc. is summarized in Tables 1 and 2 below.

Town Project No.	Master Plan Project No.	Project Description	Constructing Owner(s)	Constructing Owner Responsibility	Total Master Plan Estimated Cost	Available Budget	Budget Year	Funding
255-01369	W01	Bethesda Sideroad – New 300mm dia. watermain along Bethesda Sideroad from W09 to W08 including two creek crossings.	TH (Bethesda)	100%	\$ 2,374,000.00	2,374,000	2028	100% DCs Water

Table 1: List of Water Related DC Projects to be Undertaken by BRDL and TH Bethesda Developments Inc.

Town Project No.	Master Plan Project No.	Project Description	Constructing Owner(s)	Constructing Owner Responsibility	Total Master Plan Estimated Cost	Available Budget	Budget Year	Funding
250-01625	WW17	Subtrunk 18 - 300mm sewer on future road from Baker Hill Boulevard to Bethesda Road	TH (Bethesda) & BRDL	52% (220m) & 48% (205m)	\$ 4,071,000.00	\$4,071,000.00	2026	94.4% (3,844,000) DCs Wastewater; 5.6% (227,000) WW R&R Reserve
250-01372	WW18	Subtrunk 18 - 300mm sewer on Bethesda Road from future sewer to the west of the creek	TH (Bethesda)	100%	\$ 1,306,000.00	\$1,306,000.00	2027	93% (1,215,000) DCs Wastewater; 7% (91,000) WW R&R Reserve
250-01635	WW33	Bona Land Development - 375mm sewer on proposed Street A within Bona Land Development	BRDL	100%	\$2,580,000	\$2,580,000.00	2025	91.7% (2,366,000) DCs Wastewater; 8.3% (214,000) WW R&R Reserve

Table 2: List of Wastewater Related DC Projects to be Undertaken by BRDL and TH Bethesda Developments Inc.

The costs associated with these DC eligible projects (and considered in this report) will not exceed the value of the Town's current budgets for each project, as actual costing for these projects was not provided by the developers at the time of writing this report.

3. Analysis:

The Town's Procurement By-law (2024-032-FI) Section 16 indicates that, "In the event that developers/landowners undertake the funding and construction of growth-related municipal infrastructure through Subdivision or Development Agreements within the Town, the Agreement will set out the Procurement process that will be followed, and the value for money achieved."

The value for money proposition for the referenced projects will be evaluated by a third-party engineering and costs consultant to review and finalize eligible costs prior to the construction being initiated, and where costs are anticipated to be over the Town's budgeted amounts.

The benefits of awarding the noted DC eligible projects to the respective developers include cost efficiency, elimination of constructor issues, and schedule delays. The inclusion of DC eligible works within the larger subdivision works will increase scheduling and cost efficiencies in areas such as site mobilization and preparation, as well as material ordering, which can be completed at the same time as the overall subdivision works. Construction of the works as part of the overall subdivision will be completed on a larger scale, which typically leads to lower pricing by contractors. BRDL and TH (Bethesda) will retain their own contractors, which will provide a price comparison of similar works to help ensure the cost to construct the DC projects is competitive.

Both BRDL and TH (Bethesda) intend to commence internal servicing work for the draft plan of subdivisions 19T(W) 22.002 and 19T(W)22-001, respectively, in the summer of 2025. The award of these projects to the developers will expedite the commencement of site servicing as well as house construction and occupancy. This will help provide for a timely delivery of needed housing.

The added benefit of awarding the noted DC eligible projects to the respective developers and project managing consultants is that the time required for the integrated design is reduced, and no overlap is experienced at the design stage with regards to project scoping and report analysis.

To date, the developers have initiated and submitted engineering designs related to internal and external works, including the W01, WW17, WW18, and WW33 DC eligible projects. DC projects WW17 and WW33 are located on lands owned by Bethesda Road Developments Limited (BRDL) and TH (Bethesda) Developments Inc. Additionally, projects W01 and WW18 are situated along Bethesda Road, and their timely construction is critical to servicing the associated developments.

Awarding the DC projects to the developer would ensure alignment between the infrastructure delivery and the development timelines. It would also streamline coordination, reduce potential delays, and ensure that the infrastructure is built to meet the specific needs of the developments.

Based on the discussions above, the Town's ongoing practice, and difficulties that we could foresee, such as cost efficiency, constructor issues, and schedule delays, the following options are proposed for the consideration of Council.

4. Options:

4.1 Option A (Recommended)

That Council authorize the advancement of DC eligible projects W01, WW17, and WW18 to the 2025 Capital Budget.

That Council authorize the award of the design and construction of DC eligible projects part of WW17 and WW33 to Bethesda Road Developments Limited (BRDL).

That Council authorize the award of the design and construction of eligible projects W01, part of WW17, and WW18 to TH (Bethesda) Developments Inc.

That Council direct staff to enter into the necessary agreements with the developer Bethesda Road Developments Limited (BRDL), subject to the Town's legal department review and amendments.

That Council direct staff to enter into the necessary agreements with the developer TH (Bethesda) Developments Inc., subject to the Town's legal department review and amendments.

That Council authorize the Mayor and Clerk to execute the necessary documents.

4.2 Option B

That the Town does not authorize the award of the DC projects to the developers, and the responsibility for constructing the projects located on Town-owned lands or future Town lands would fall to the municipality. In this case, these projects would likely become part of the Town's capital works program. However, there is currently no established timeline for these projects. As a result, this approach would significantly delay the delivery of critical infrastructure, which in turn will hold up the construction of the proposed developments. Consequently, this delay could impact housing delivery targets and broader growth objectives.

Council may instruct staff to undertake the DC eligible projects W09, WW17, WW18, and WW33 under the Town's Capital Project delivery process, sometime in the future, when all lands required for the construction are transferred and assumed by the Town and funding is set aside to complete the works. This option is not recommended as the anticipated construction of these projects would occur well after the new subdivision, and the Town would incur overlapping costs for works completed to date.

5. Financial Implications:

The Town's DC reserve funds costs related to sewers and watermain in accordance with the Town's DC Background Study. Under Option A, if a construction quote or anticipated cost exceeds the Town's DC Background Study budgets, staff will report back to Council with recommendations.

Projects W01, WW17, WW18, and WW33 are included in the current Town's 2025-2034 Capital Budget.

The developer is required to prepay the fees in accordance with the Town's Fees and

Charges By-Law (2024-144-FI), for each agreement. While the developer is proceeding with the works as referred to in this report at their own risk and expense, the Town will require and retain securities for construction as per the agreements, in addition to the security retained by the Town as related to local services for non-DC eligible works within the subdivision, to ensure compliance with the agreements and the integrity of the work.

The repayment for the DC-eligible projects captured in this agreement will be contingent on the DCs collected by the Town. The developments will be entitled to receive reimbursement as funds become available based on the collected DCs, and as will be determined based on the terms of the Subdivision Agreement.

6. Broader Intergovernmental Impacts and/or Considerations:

There are no intergovernmental impacts or considerations.

7. Communication:

None require.

8. Alignment with Strategic Plan:

1. A Town that Grows

A Town that grows in support of complete communities

9. Attachments:

Attachment No. 1 – Figure 4-15 of the 2024 Water and Wastewater Master Plan
Water Servicing Strategy

Attachment No. 2 – Figure 5-13 of the 2024 Water and Wastewater Master Plan
Wastewater Servicing Strategy

10. Related Reports:

April 3, 2024 – Procurement By-law 2024-032-FI ([Link](#))

June 5, 2024 - Water and Wastewater Master Plan 2024 – Adoption ([Link](#))

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For further information on this report, please contact the Department Head: Jack Graziosi, Commissioner of Engineering & Public Works at 905-640-1900 or 1-855-642-8697 ext. 2464 or via email at jack.graziosi@townofws.ca.