

# STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG



<b>Report to:</b>	Mayor and Council Members	<b>Priority:</b>	<input type="checkbox"/> High <input checked="" type="checkbox"/> Low
<b>Submitted by:</b>	Daniel Van Kampen Manager of Economic Development Economic Development Planning and Development Division	<b>Meeting Type:</b>	Open Session <input checked="" type="checkbox"/> Closed Session <input type="checkbox"/>
<b>Meeting Date:</b>	<b>September 5, 2023</b>		
<b>Report No.:</b>	Planning and Development-155-23		
<a href="#">Submit comments to Council</a>			

**Subject/Title: Power Line Extension for South Side of Dodge Street – Cost Revision**

## RECOMMENDATION:

THAT Council receive the report for information purposes; and

FURTHER THAT Council approve the revised developer capital cost associated with the installation of power along Dodge Street by Lakefront Utilities Inc. in accordance of the Economic Evaluation of \$120,000, and be funded by the Lucas Point Reserve Fund

## 1. STRATEGIC PLAN

Not applicable

## 2. PUBLIC ENGAGEMENT

This report is being published ten (10) days in advance of the Committee of the Whole meeting for public review.

## 3. PURPOSE

The recommendation contained in this report is a revision to the cost estimate provided in [Committee of the Whole Report 135-23](#). A power line extension is

needed to fully develop the south side of Dodge Street (north leg) and this report recommends a timely solution.

The purpose of this report is to receive Council's approval to enter into a Construction Agreement with a revised construction cost estimate of \$120,000 to have power lines installed on the south side of Dodge Street (north leg) to facilitate development in Lucas Point Industrial Park.

#### 4. ORIGIN AND LEGISLATION

Lucas Point Business Industrial Park is located in the southeast end of Cobourg. The park is home to Belden Canada, Kott Lumber and Loadstar Trailers. There are current, active developments for Brock Street Holdings, Dodger Investments, and the properties along Dodge Street.

#### 5. BACKGROUND

[Committee of the Whole Report 135-23](#) included recommendations to extend power along Dodge Street by Lakefront Utilities Inc. in accordance with the Economic Evaluation of approximately \$75,000 and to place the Return of Expansion Deposits back in the Lucas Point Reserve Fund.

#### 6. ANALYSIS

During follow-up discussions after the Committee of the Whole report was approved by Council, Lakefront Utilities Inc. (LUI) provided a letter agreement with an expansion deposit of \$120,000 to cover the full cost of the electric distribution system along Dodge Street. The properties that can connect to the pole line are highlighted in green in the following figure. They are located at:

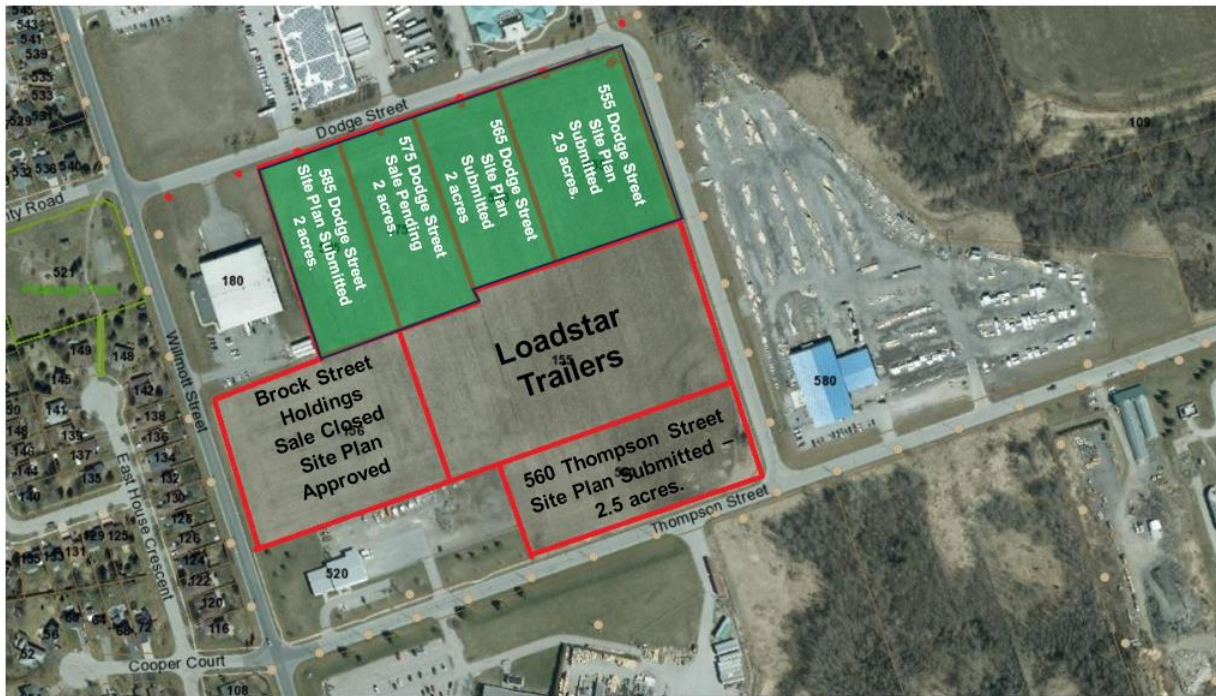
- 555 Dodge Street
- 565 Dodge Street
- 575 Dodge Street and
- 585 Dodge Street.

The 565 Dodge Street property's estimated new load was run through the economic model and will cost approximately \$20,000 to extend power services. LUI will cover the cost of approximately \$25,000 based on the full electric distribution system. The remaining \$75,000 will be the Town's portion and returned back to the Lucas Point Reserve Fund within the 5-year connection window.

Site plans have been submitted for three of these properties. The property at 575 Dodge Street was sold earlier this year. As these customers connect to the pole line, the Town of Cobourg will be refunded a share of the \$120,000 over the 5-year connection horizon. The share of the overall job cost that each customer will be responsible for is heavily determined by their electrical load. These loads may vary by customer.

Upon completion of the distribution system expansion, a final project cost analysis will be provided to the Town of Cobourg and any amounts above the expansion deposit shall be due to LUI. Should the expansion deposit be more than the final cost, LUI shall rebate the difference to the Town.

**Figure 1: Proposed power line extension along Dodge Street**



## 7. FINANCIAL IMPLICATIONS/BUDGET IMPACTS

Over a 5-year connection horizon commencing on the execution date of the Construction Developer Agreement, LUI shall complete an economic evaluation of each distribution system connection to the expansion assets and rebate to the Town of Cobourg the economic portion of the evaluation.

The economic evaluation tool and results shall be provided to the Town of Cobourg at the time of each connection and evaluation. The economic evaluation tool utilized by LUI is an industry standard tool utilized by Ontario electric utilities and accepted by the Ontario Energy Board.

## 8. CONCLUSION

The Town's Economic Development and Finance staff along with the LUI team are prepared to address this existing servicing constraint to facilitate economic development and growth in the Lucas Point Industrial Park. Staff recommend approval of the revised economic evaluation to extend power lines along the south side of Dodge Street (north leg). The active development applications will lessen and possibly eliminate any impact on the Town of Cobourg taxpayers.

## Report Approval Details

Document Title:	Power Line Extension for South Side of Dodge Street - Cost Revision - Planning and Development-155-23.docx
Attachments:	
Final Approval Date:	Aug 25, 2023

This report and all of its attachments were approved and signed as outlined below:

**Anne Taylor Scott - Aug 24, 2023 - 1:47 PM**

**Tracey Vaughan, Chief Administrative Officer - Aug 25, 2023 - 12:43 PM**