

<b>TO:</b>	<b>CHAIR AND MEMBERS PLANNING AND ENVIRONMENT COMMITTEE</b>
<b>FROM:</b>	<b>J. BRAAM, P.ENG. ACTING EXECUTIVE DIRECTOR PLANNING, ENVIRONMENTAL AND ENGINEERING SERVICES</b>
<b>SUBJECT:</b>	<b>2012-2016 GROWTH MANAGEMENT IMPLEMENTATION STRATEGY MEETING ON FEBRUARY 6, 2012 DELEGATION AT 5:00 P.M.</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Acting Executive Director, Planning, Environmental & Engineering Services, the following actions **BE TAKEN** with respect to the 2012-2016 Growth Implementation Management Strategy:

- (a) Fox Hollow Stormwater Management Facility #1 (T-69) **BE CONSTRUCTED** in two distinct cells in accordance with the approved functional plan with the south cell proceeding in 2012 at an estimated cost of \$1,200,000 and the north cell **BE ADDED** to the GMIS for in 2016 at an estimated cost of \$1,300,000 subject to the conditions identified in Appendix 'A' attached;
- (b) Riverbend Facilities SWMF A and SWMF G (north of Oxford) **BE CONSTRUCTED** in 2012 at an estimated cost of \$4,300,000 and \$2,600,000, and SWMF 'G' **BE ADDED** to the GMIS for 2016 at an estimated cost of; subject to the conditions identified in Appendix 'A';
- (c) the lands and the associated Old Victoria SWMF #1 (T-66) identified in Appendix 'A' **BE DIRECTED** to be included in the GMIS in 2017; and
- (d) the total benefits of stormwater management facility phasing for 2012 are an estimated reduction of \$9,200,000 in capital spending and that the 2012 Capital Budget **BE AMENDED** accordingly;

it being noted that the land costs for SWM in part (b) above is included in the first phase estimates and the estimates are based on an outstanding environmental assessment.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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November 16, 2011 – Report to Finance and Administration Committee – Municipal Service Financing Agreements”

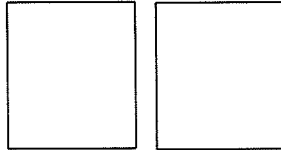
October 17, 2011 - Report to Built and Natural Environment Committee – “Growth Management Implementation Strategy -2012 Annual Review and Update”

September 20, 2011 - Verbal Report to the Committee of the Whole - “Growth Management Implementation Strategy Update”

June 21, 2010; Report to Planning Committee – “Growth Management Implementation Strategy -2011 Annual Review”

November 16, 2009; Report to Planning Committee – “Growth Management Implementation Strategy - 2010 Annual Review”

May 13, 2009; Report to Board of Control – “2009 Development Charges – Adoption of DC Policies, Background Study and Rate By-law”



June 16, 2008; Report to Planning Committee – “Growth Management Implementation Strategy”

March 12, 2008; Report to Planning Committee – “Development of a Growth Management Implementation Strategy”

June 18, 2007; Report to Planning Committee – “Official Plan Review: Proposed Revisions to Growth Management Policies”

## BACKGROUND

The premise for this report is that current development plans via the GMIS can be implemented while deferring considerable capital spending in the delivery of large stormwater management facilities (SWMF).

In October, 2011 Staff brought the 2012 Growth Management Implementation Strategy to Committee. As a part of that report, staff recommended that several large regional stormwater management facilities (SWM) have the potential to be phased lessening financial pressures on the Development Charges in the order of \$1.5 million over five years. Several projects had concerns raised by developers on the certainty of being able to phase. As a result, Council approved the 2012 GMIS update excepting several issues that were referred back. The Council resolution:

“That, on the recommendation of the Executive Director of Planning, Environmental & Engineering Services, the following actions be taken with respect to the implementation of the Official Plan growth management policies applicable to the financing of growth-related infrastructure works as outlined in the Growth Management Implementation Strategy (GMIS) update:

(a) the attached GMIS (Appendix “C”) **BE APPROVED**;

it being noted that:

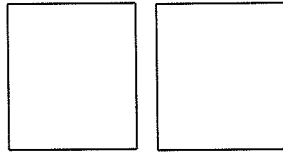
- (i) this strategy will provide direction on future development applications;
- (ii) the GMIS will be used in setting the final 2012 Capital Program for growth infrastructure and will be re-examined in 2013; and,
- (iii) the GMIS is identified as a Guideline Document as set out in Section 19.2.2 of the Official Plan; and

(b) Projects T69 (Foxhollow SWMF), Project T67 (Old Victoria SWMF) and T80 (Riverbend SWMF) **BE REFERRED** to the Civic Administration for further consultation with related Developers, with a report back to the appropriate Standing Committee within 60 days;”

### Discussion

As stormwater planning progressed for large regional facilities, four of which are proposed for 2012, it became apparent to staff these facilities served lands some of which are most likely to be developed well into the future. The introduction of phasing such expensive works has merit in the scale of the costs and in freeing capital and debt obligations for other initiatives. Staff proposed this approach as it allows all development plans to proceed and debt obligations became quite close to revenue expectations. With the 2011 Development charges revenues totaling \$23,900,000 at year end this is also an indicator that planned expenditures for 2012 are in the right scope.

The stormwater management facilities (SWMF) discussed in this report in regard to phasing are SWMF #1 in Foxhollow (T-69) and all SWM facilities in Riverbend South (T-80). In addition two other facilities are planned to be phased in the 2012 GMIS, they are SWMF #3 in Foxhollow



(T-19) and SWMF #4 in Hyde Park (T-71). The total estimated costs of the four completed facilities are \$17,700,000, excluding land costs in three of the facilities. The proposed costs of first phases are \$8,500,000. Noting there is some cost to phasing in the order of 5 to 10% but the deferral of second phases for the four facilities is \$9,200,000. The value of the deferral in saved interest costs is approximately \$2,280,000.

Staff have met with developers in regard to functional issues and technically the Stormwater Management staff feel that phasing is possible. At consideration are a number of issues that are prevalent in all subdivision designs but become key here that phasing does not have a marked impact on the developer's internal servicing costs:

- grading- the final elevation of a developer's lands are key in the functional design of SWM facilities as it can greatly affect the cost of cut or fill required
- pipe grades- pipes need to be a minimum depth to serve their purpose effectively and at a specified slop to carry flow
- overland flow routes- on those occasions when the stormwater pipes are full, stormwater accumulates and flows overland. In subdivisions, it is purposely directed to SWM facilities to control downstream effects
- ability to effectively phase without significant costs- the functional design to phase a single facility may have interim costs that strip away the benefit of phasing, at least in part.
- meet the terms of the environmental assessment and/or functional design- any phased facility drains intended properties but also needs to work as intended. For a large facility, phasing can actually assist in the function of the facility as design flows are reached sooner in the first phase and are less of a flow increment in subsequent phases

Progress was made in the technical ability to phase facilities but complete agreement was not reached in the case of Ponds T-69 (Fox Hollow SWMF No. 1) and T-80 (Riverbend). Concerns on the part of developers remain that the second phases be constructed when required. Conditions to address these concerns are discussed on a case by case basis below, Staff are not recommending that Council commit to a future year at this time.

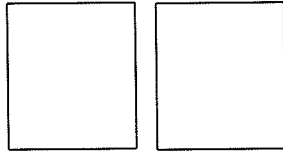
#### **Fox Hollow SWMF No. 1 (T-69)**

This facility is illustrated in the attached Figure 1 and is part of the Foxhollow development plans. During functional design work and the quantification of two cells, this facility is comprised of two cells separated by natural woodland topography that serves as both natural space and occasionally for stormwater management purposes. This layout provides also as an economic means to minimize structured works.

This facility is simple to phase and has been evaluated as being possible with some conditions. The prime considerations are as follows:

- the south cell is proposed as the first phase of the SWM and accommodates the complete most of the first phase of subdivision submitted by Stanton.
- Parkland, maintenance access, open space and progression of the sanitary sewer extension needs to be incorporated in this proposal.
- Land issues have been solved and payment forwarded in 2011 so are not a part of costs going forward.
- The finished grade, gateway entrance and secondary collector be accommodated in the evaluation so the phase can progress logically and in accordance with the developers wishes.
- The developer would require lead time to progress a second phase of subdivision in coordination with the budgeting for the second phase of the SWM.

Given sales volumes in the area and the introduction of multiple new subdivisions adjacent staff feel that the first phase of subdivision would likely exceed five years. It is also recognized that some lead time is accommodated in the progression of the second phase of the SWM. In this case, the deferral of the SWM phase does not add significant additional costs nor does it reduce other servicing costs.



The total estimated cost for SWM #1, both cells, is \$4,166,700 in the GMIS and includes land, construction and engineering. The proposal, not including any land costs, for the first phase is \$1,200,000 and for the second phase is \$1,300,000. Staff, in consideration of all key factors recommend that the second phase be deferred until 2016. If the subdivision builds out faster than anticipated, staff recommend that the second phase be considered as a first priority in the GMIS when the first phase when single family lots are 50% sold to allow lead time to implement the required second SWM cell.

### **Riverbend SWMF (T-80)**

The Environmental Assessment (EA) for this area has progressed slowly for a wide variety of reasons but particularly because of considerations for stormwater management in a coldwater fishery. This Environmental Assessment is not complete as of this writing but given legislated process and the issues, the completion will not be before June, 2012.

Originally, the Development Charges SWM works were scheduled for 2011. The current estimate for stormwater management works is \$6,900,000 for three identified facilities and associated works as indicated in the attached Figure 2. Staff are proposing that SWM Facilities 'A' and 'G' (north of Oxford) be progressed as the EA reaches conclusion and that SWM 'F' and a SWM 'G' south of Oxford be deferred until 2016.

This proposal affects Sifton's proposed Riverbend South development also shown in Figure 2. Their plans have been on hold for some time as staff are waiting for the outcome of the EA to determine overland flow routes. The phasing would allow Phase 1 lands to progress the completion of the EA and would require SWMF to be constructed. Staff view that this proposal would provide Sifton considerable development in the area of most types adequate for five years. Given the value of the deferred works and the size of the deferred parcel, staff recognized that this would also be a positive solution to Sifton's concerns on timing of their development in Old Victoria.

Agreement was not reached with Sifton over concerns that the deferral of the second phase may extend beyond five years. In this case, staff recommend that if Phase II is registered earlier that it be considered as a first priority in the GMIS.

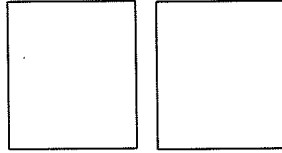
### **Old Victoria**

Over the last few years there has been a progression of plans in the Old Victoria Area by two development interests. Shown in the attached Figure 3 the first property owned by Sifton Properties Limited has progressed to draft plan approval by Council and the functional SWM design is in progress. All work is based on an approved Area Plan and Environmental Assessment for stormwater. The second interest led by Tridon Group has been brought forward more recently in progressing residential development.

#### Sifton Properties Limited

In the development of the GMIS schedules a number of principles were applied including progression of servicing and the status of interests at the time. Sifton has been adamant that the 2015 development timeframe is unacceptable to them and Council directed that the administration investigate further with developers.

There are no approvals in place to provide construction of the stormwater management facility that services Sifton's lands. Staff proposed that the deferral of lands in Riverbend South for five years be exchanged such that Sifton could proceed with their interests in Old Victoria immediately. Sifton was not able to agree on concerns that the second phase of Riverbend is not recommended to be binding on future Councils. Staff remain of the opinion and have recommended in this report that this exchange be made.



Tridon Group

A consortium of landowners has progressed an interest to the City for development of the parcel shown in the attached Figure 3. The group is interested in alternative financing means such as those identified in the Municipal Servicing Financing Agreement report of 2011 (Finance and Administration Committee) recognizing their lands were not included in the original 2008 GMIS or 2009 Development Charges Background Study.

While there has been considerable residential development interest through the progression of plans city-wide all of which have been identified at some time in the GMIS, this proposal has not been included. In consideration of the principles of the GMIS, staff are recommending that these lands be included for 2017 in alignment with the development of the Old Victoria Area and in consideration of development city-wide.

The developer is not in agreement with this proposal and wishes to proceed in 2013 with construction of the SWM facility.

Table 1 below illustrates the total cost of the SWM Facilities proposed to be phased in 2012. It also illustrates the deferral of spending recommended in 2012 and the five-year recommendation effects in total interest savings to the development charges reserves. These recommendations have been made in consideration of not holding up any current plans to bring on development on lands served by these facilities. Staff are recommending that Sifton's interests in Old Victoria could be accommodated by an exchange of facility and development lands but this proposal was not accepted by Sifton.

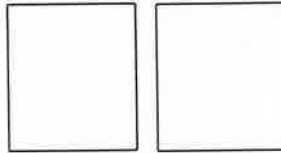
**Table 1: Proposed SWMF Phasing**

Facility	Total Cost	2012 Phase 1	2016 Phase II	Interest ** Savings
FoxHollow SWMF #1 (T-69)	\$2,500,000	\$1,200,000	\$1,300,000	\$460,000
Riverbend SWMF # (T- 67 )	\$6,900,000	\$4,300,000	\$2,600,000	\$650,000
FoxHollow SWMF #3 (T-80)	\$4,800,000*	\$2,300,000	\$2,600,000	\$640,000
Hyde Park SWM #4 (T-71)	\$3,500,000*	\$900,000	\$2,700,000	\$670,000
<b>TOTAL</b>	<b>\$17,700,000</b>	<b>\$8,500,000</b>	<b>\$9,200,000</b>	<b>\$2,280,000</b>

**\*Total cost is slightly less than sum of Phase I and Phase II**

**\*\* Based on 5% annual interest and the deferral of Phase II values for 5 years.**

The total estimated cost of the four SWM facilities is \$17,700,000. Proposed phasing of the facilities defers \$9,200,000 costs to the future. It is estimated that the annual interest savings are in the order of \$456,000 per year. Staff are recommending that the phases in all three cases be deferred to 2016. This is based on the following considerations:



- it is unlikely that developments served by these facilities will progress ahead of the need for the second phase for 2016.
- there is some effort required in managing costs in a phasing strategy. The actual total cost of completed facilities is actually marginally higher than an unphased facility.
- Interest costs for advanced capital (issued debt) are substantial.
- Constructing infrastructure that is unused has drawbacks in both performance and the beginning of aging while the infrastructure is not in use.

In fact, the cost estimate in the value of money over a five year term is \$2,280,000 using 5% annual interest rate.


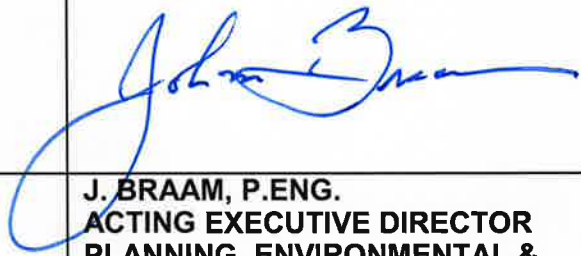
This strategy leaves some room in unissued debt that Council can consider for other purposes.

### Conclusion

Council referred several items in the GMIS to staff to consider in coordination with developers. Although total consensus was not reached, staff feel that reasonable conditions to proceed are recommended and that developers may request some minor adjustments.

The value of phasing four major SWM facilities in Hyde Park, Foxhollow and Riverbend aligns servicing with real progress in subdivisions. This practical approach defers nearly \$10 million in capital expenditures with an estimated interest savings of over \$2 million and provides for Sifton Properties Limited to progress around current constraints even while a net savings is being realized.

The inclusion of a residential proposal by Tridon Developments in 2017 recognizes the interests of these parties with other interests around the City and the progression of servicing in a logical manner.

SUBMITTED BY:	RECOMMENDED BY:
	
<b>D. AILLES, P. ENG. MANAGING DIRECTOR DEVELOPMENT APPROVALS BUSINESS UNIT</b>	<b>J. BRAAM, P.ENG. ACTING EXECUTIVE DIRECTOR PLANNING, ENVIRONMENTAL &amp; ENGINEERING SERVICES</b>

January 27, 2012  
DA/lf

- cc. M. Hayward – City Treasurer and Chief Financial Officer  
P. Christiaans, Director – Development Finance  
B. Krichker, Manager - Stormwater  
S. Mathers, Manager - Development Finance

Attach/  
Appendix A: Phasing Conditions  
Figure 1 – Foxhollow Stormwater Management Facilities Phasing Candidates  
Figure 2 – Riverbend Tributary 'C' Stormwater Management Facility Phasing Candidates

# **Appendix A: Phasing Conditions**

## **Fox Hollow Stormwater Management Facility #1 Phase 1**

The Fox Hollow Stormwater Management Facility #1 Phase 1 project proposed will include the construction of the south cell of the Fox Hollow Stormwater Management Facility #1 and its associated works in accordance with the approved functional plan.

The first phase of development will include all of the lands including the east west collector road in the middle of the development that can be practically serviced by the south cell of the Fox Hollow Stormwater Management Facility #1.

In the event that build out of the lands tributary to the first phase of Fox Hollow Stormwater Management Facility #1 proceed faster than expected priority consideration will be made to accelerate Phase 2 of the stormwater management works. Upon build of 50% of the single family lots tributary to the Phase 1 facility the developer may request that the second phase be included in the Growth Management Implementation Strategy for the following year.

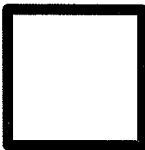
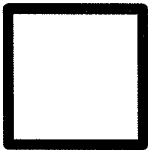
## **Riverbend Area Stormwater Management Servicing**

The first phase of the Riverbend Area Stormwater Management servicing project is proposed to include the construction of Stormwater Management Facility A and Stormwater Management Facility G (north of Oxford) and the associated sewer works. The construction of phase 1 is subject to council acceptance of the Municipal Class Environmental Assessment (EA) - Schedule 'C' Storm/Drainage & Stormwater Management, Transportation & Sanitary Trunk Servicing Works for Tributary 'C' Drainage Area within the Downstream Thames Sub-watershed. Land costs are to be included in the cost of works for Phase 1.

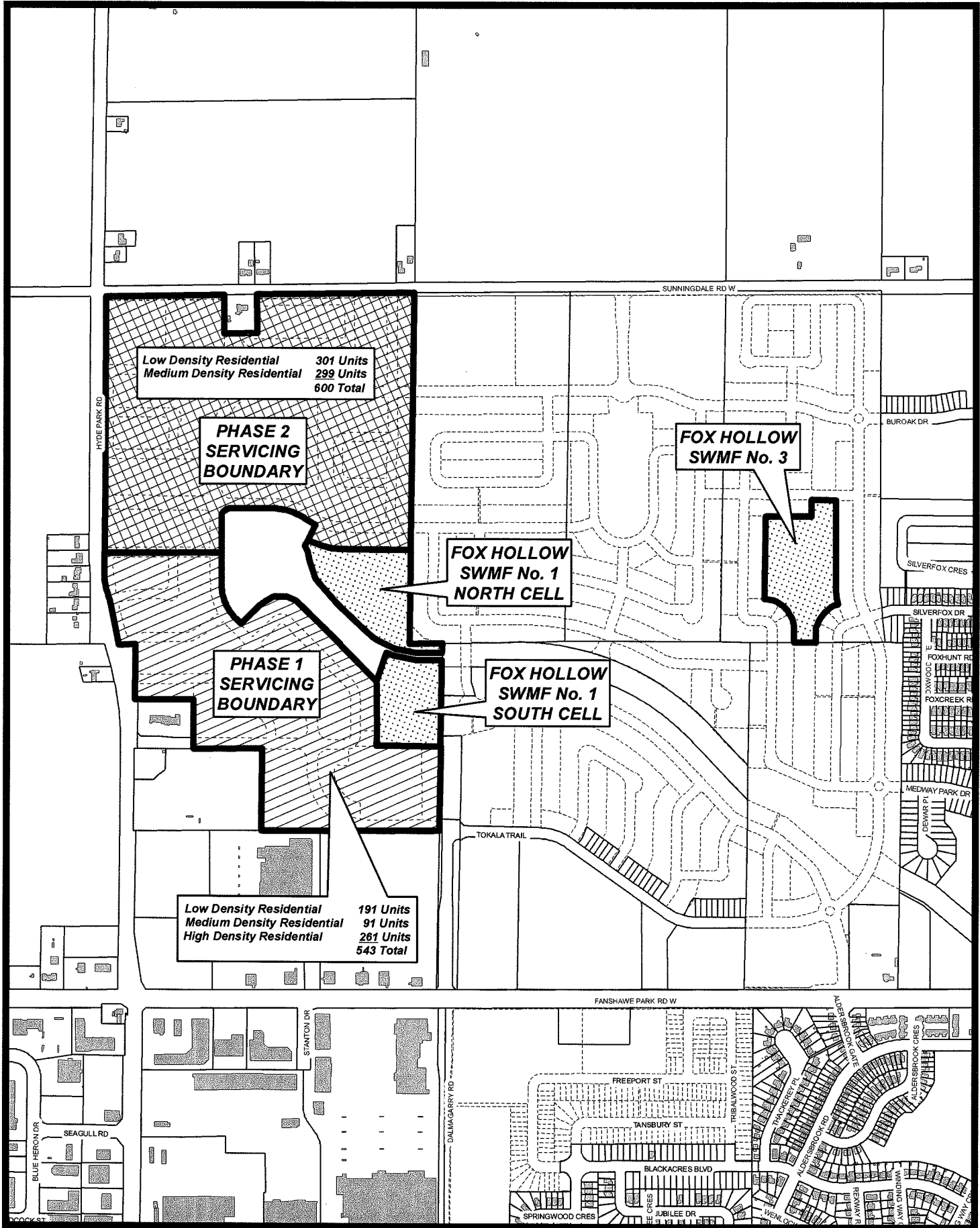
The first phase of development will exclude all lands tributary to Stormwater Management Facility F that cannot be practically accommodated under a temporary basis by Stormwater Management Facility A, Stormwater Management Facility G or the Riverbend Mews Stormwater Management Facility.

The second phase of the Riverbend Area Stormwater Management Servicing project will be scheduled for 2016 in the 2012 GMIS.

In the event that build out of the lands tributary to the first phase of Fox Hollow Stormwater Management Facility #1 proceed faster than expected priority consideration will be made to accelerate Phase 2 of the stormwater management works. Upon build of 50% of the single family lots tributary to the Phase 1 facility the developer may request that the second phase be included in the Growth Management Implementation Strategy for the following year.



**FIGURE 1  
FOXHOLLOW  
STORMWATER MANAGEMENT FACILITIES  
PHASING CANDIDATES**



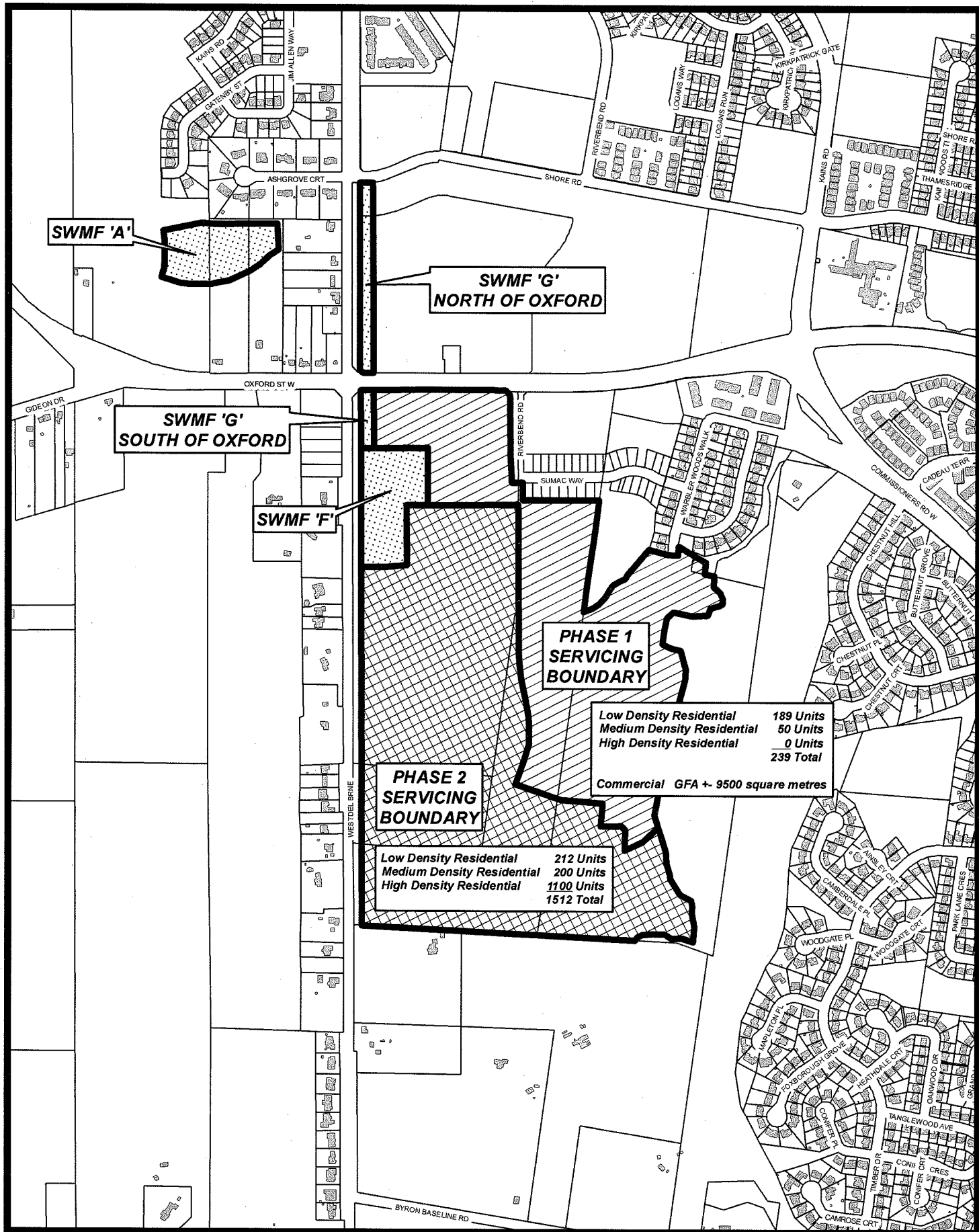
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**FIGURE 2  
RIVERBEND TRIBUTARY 'C'  
STORMWATER MANAGEMENT FACILITY  
PHASING CANDIDATES**

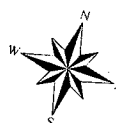


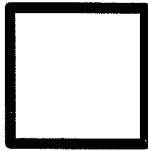
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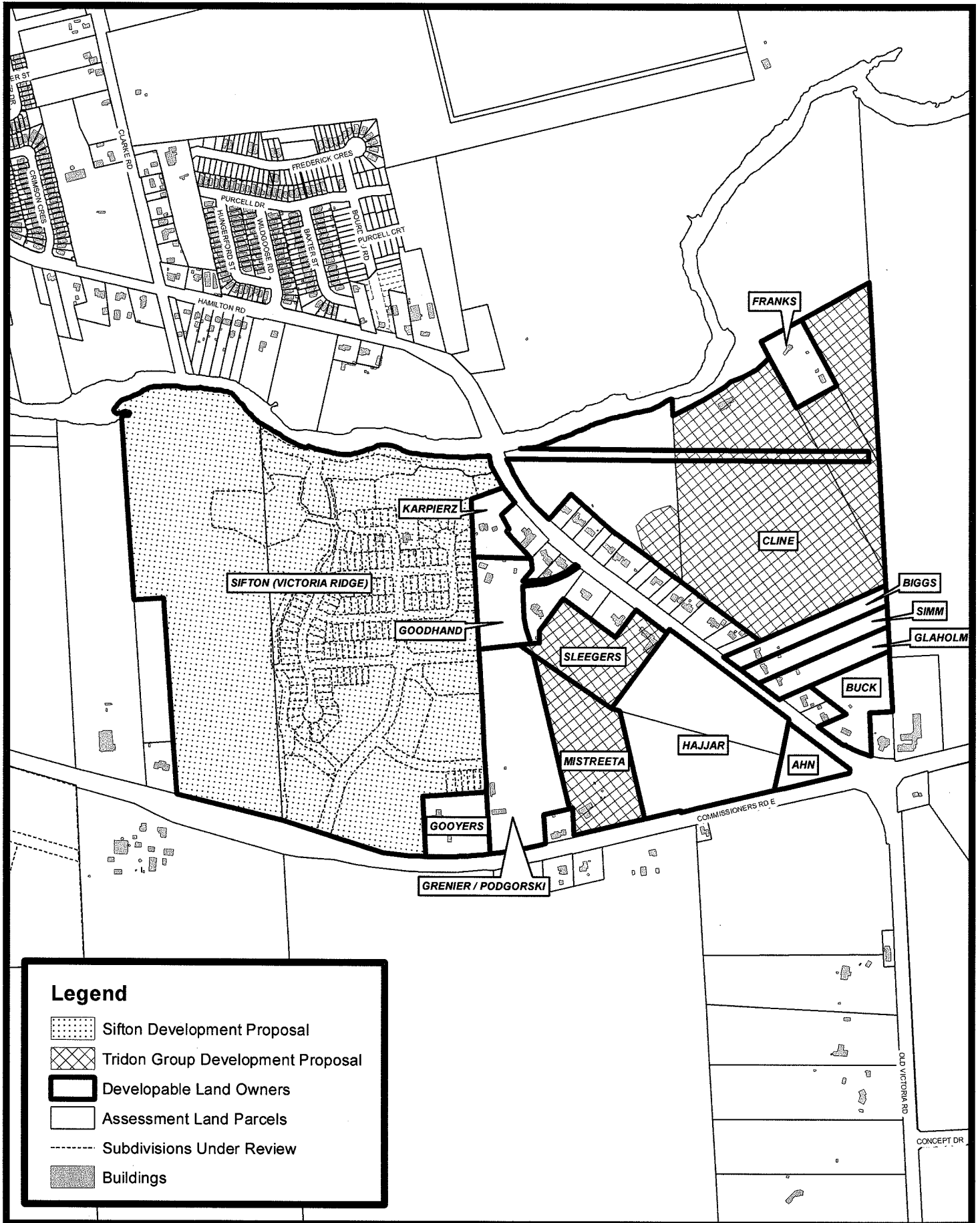


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# FIGURE 3 OLD VICTORIA AREA SIFTON AND TRIDON GROUP DEVELOPMENT PROPOSALS



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