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P. Yeoman

TO:	CHAIR AND MEMBERS PLANNING & ENVIRONMENT COMMITTEE
FROM:	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	CLAIMABLE WORKS FOR 3080 BOSTWICK ROAD CONSENT AGREEMENT MEETING ON FEBRUARY 22, 2016

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions **BE TAKEN** with respect to the consent agreement between The Corporation of the City of London and York Developments for the creation of easements over the land municipally known as 3080 Bostwick Road and 501 Southdale Road West:

- (a) the applicant **BE ADVISED** that the Director, Development Finance has summarized the claims and revenues attached as Appendix "A"; and,
- (b) the financing for this project **BE APPROVED** as set out in the Source of Financing Report attached as Appendix "B".

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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"Application by: Realty Services, City of London Part of 3080 Bostwick Road and 491 and 499 Southdale Road West (re-zoning)," September 23, 2014, Planning and Environment Committee

COMMENTARY

York Developments has submitted a consent application for part of 3080 Bostwick Road and 501 Southdale Road West (herein collectively "3080 Bostwick Road") to create easements associated with servicing and access for the future Southwest Community Centre.

Unlike subdivisions, the provisions of a consent agreement are handled administratively through delegated authority and most consents do not involve agreements associated with the construction of major infrastructure. For 3080 Bostwick Road, York Developments will be installing a number of hard services, most of which are the direct cost of the developer according to the local service standards contained in Schedule 8 of the City's Development Charges By-law.

Some of the services to the site are not "local services." City Staff have identified a trunk watermain and oversized sanitary sewers with costs that are eligible to be claimed from the Development Charge (DC) reserve funds. Council must approve and commit funding to enable a future claim associated with the eligible works, as provided in Appendix "B". The anticipated reimbursements from the Funds are:

- (i) for the construction of an eligible watermain (Bostwick Growth Watermain DC14-WD00025), fully reimbursable at an estimated cost of \$702,674; and,
- (ii) for the construction of eligible oversized sanitary sewers in conjunction with the consent, subsidized at an estimated cost of \$5,450.

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Staff from Legal Services have reviewed the consent agreement, including the clauses related to the above claimable works.

York Developments will also be required to enter into a work plan with the City for the construction of the Bostwick Growth Watermain, in accordance with the requirements of Schedule 8 of the DC By-law. Due to the magnitude of the watermain work, this project is required to be advertised through public tender. This will be conducted by the developer on behalf of the City.

Although there are no eligible roadworks associated with this consent, it is anticipated that a future subdivision application associated with 3080 Bostwick Road will involve the installation of ultimate traffic signals and road channelization.

CONCLUSION

Although consent agreements are handled administratively, there are DC claimable works associated with the consent application for 3080 Bostwick Road. The associated consent agreement will contain clauses to permit the claims associated with the eligible works (Bostwick Growth Watermain and oversized sanitary sewers), which have Capital Budget implications.

Staff are recommending that Council approve the attached Source of Financing in Appendix "B" to enable a future claim for the water and sanitary sewer works.

PREPARED BY:	
PAUL YEOMAN, MCIP, RPP MANAGER, DEVELOPMENT FINANCE FINANCE AND CORPORATE SERVICES	
REVIEWED BY:	CONCURRED IN BY:
PETER CHRISTIAANS, CA, CPA DIRECTOR, DEVELOPMENT FINANCE, FINANCE AND CORPORATE SERVICES	JENNIE RAMSAY, P.Eng. MANAGER, DEVELOPMENT SERVICES AND ENGINEERING LIAISON
RECOMMENDED BY:	
MARTIN HAYWARD, CGA, CPA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER	

February 12, 2016

cc.: Alan Dunbar, Manager, Financial Planning & Policy
Mike Pease, Planner II, Development Services
Bill Warner, Manager, Realty Services
David Munteer, Solicitor II, Legal Services

Appendix "A": Summary of Claims and Revenues

Appendix "B": Source of Financing Report

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Appendix "A": Summary of Claims and Revenues

3080 Bostwick Road/501 Southdale Road West - York Developments
 Consent Agreement
 B.001/16

Related Estimated Costs and Revenues

Estimated DC Funded Servicing Costs ^(Note 1)	Estimated Cost (excludes HST)
Claims for developer led construction from CSRF ^{Note 4, 5} - Bostwick Growth Watermain (DC14-WD00025) - Oversized sanitary sewers (subsidy)	\$702,674 \$5,450
Claims for developer led construction from UWRF N/A	
Claims for City led construction from CSRF N/A	
Total	\$708,124
Estimated Total DC Revenues ^(Note 2, 6)	Estimated Revenue
CSRF	\$1,417,953
UWRF	\$94,473
TOTAL	\$1,512,426

- 1 Estimated Costs are based on approximations provided by the applicant and include engineering, construction and contingency costs without HST. Final claims will be determined based on actual costs incurred in conjunction with the terms of the final subdivision agreement and the applicable By-law.
- 2 Estimated Revenues are calculated using 2015 DC rates and may take many years to recover. The revenue estimates includes DC cost recovery for "soft services" (fire, police, parks and recreation facilities, library, growth studies). There is no comparative cost allocation in the Estimated Cost section of the report, so the reader should use caution in comparing the Cost with the Revenue section.
- 3 The revenues and costs in the table above are not directly comparable. The City employs a "citywide" approach to recovery of costs of growth – any conclusions based on the summary of Estimated Costs and Revenues (above table) should be used cautiously.
- 4 New requirements of developer constructed works were incorporated into the 2014 DC By-law. The developer led construction work above will require a work plan to be provided and approved by the City. The work plan should include summary of estimated costs of all Engineering and construction of the works in question.
- 5 Oversizing costs identified are based on preliminary estimates through the design study phase. The various pipe sizes and and length of oversized sewers and watermain will be finalized through the detailed design process.
- 6 At present, the only known development associated with the consent agreement is the Southwest Community Centre. Municipal buildings are exempt from the payment of development charges (per the Development Charges Act and the City's DC By-law); however, the City pays for the DC costs of municipal buildings through DC incentive reserve funds. The infrastructure associated with the consent agreement will also provide servicing for lands proximate to the Community Centre, but DC revenue estimates are not available as a development application has not been received for the balance of the benefiting lands.

Reviewed by:

 Date

 Peter Christiaans
 Director, Development Finance

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Appendix "B": Source of Financing Report

#16017
February 11, 2016

Chair and Members
Planning & Environment Committee

RE: Claimable Works for 3080 Bostwick Road
Consent Agreement
(Subledger WT160001)
Capital Project ES5145 - Sanitary Sewer Internal Oversizing Subsidy- DC14-WW02001
Capital Project EW3697 - Southdale Road (2030) Bostwick Rd to Wonderland Rd. - DC14-WD00025

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:

Finance & Corporate Services confirms that the cost of this project can be accommodated within the financing available for it in the Capital Works Budget and that, subject to the adoption of the recommendations of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the detailed source of financing for this project is:

<u>SUMMARY OF ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>Committed to Date</u>	<u>This Submission</u>	<u>Balance for Future Work</u>
<u>ES5145-Sanitary Sewer Internal O/S Subsidy</u>				
Construction	\$178,650	\$32,211	\$5,546	\$140,893
<u>EW3697-Southdale Rd (2030) Bostwick Rd to Wonderland Rd</u>				
Engineering	54,662			54,662
Construction	715,041		715,041	0
	769,703	0	715,041	54,662
NET ESTIMATED EXPENDITURES	<u>\$948,353</u>	<u>\$32,211</u>	<u>\$720,587</u> 1)	<u>\$195,555</u>
<u>SUMMARY OF FINANCING:</u>				
<u>ES5145-Sanitary Sewer Internal O/S Subsidy</u>				
Drawdown from Industrial Oversizing-Sewer R.F.	\$12,200	\$2,200	\$379	\$9,621
Drawdown from City Services - Sewer Reserve Fund (Development Charges)	2) 166,450	30,011	5,167	131,272
	178,650	32,211	5,546	140,893
<u>EW3697-Southdale Rd (2030) Bostwick Rd to Wonderland Rd</u>				
Drawdown from City Services - Water Reserve Fund (Development Charges)	2) 769,703	0	715,041	54,662
TOTAL FINANCING	<u>\$948,353</u>	<u>\$32,211</u>	<u>\$720,587</u>	<u>\$195,555</u>

1) <u>FINANCIAL NOTE:</u>	<u>ES5145</u>	<u>EW3697</u>	<u>TOTAL</u>
Contract Price	\$5,450	\$702,674	\$708,124
Add: HST @13%	709	91,348	92,057
Total Contract Price Including Taxes	6,159	794,022	800,181
Less: HST Rebate	613	78,981	79,594
Net Contract Price	<u>\$5,546</u>	<u>\$715,041</u>	<u>\$720,587</u>

2) Development charges have been utilized in accordance with the underlying legislation and the Development Charges Background Studies completed in 2014.

JG

Alan Dunbar
Manager of Financial Planning & Policy