TO:
CHAIR AND MEMBERS
PLANNING AND ENVIRONMENT COMMITTEE
MEETING ON AUGUST 28, 2017

FROM:
GEORGE KOTSIFAS
MANAGING DIRECTOR, DEVELOPMENT AND COMPLIANCE SERVICES
AND CHIEF BUILDING OFFICIAL

SUBJECT: DEVELOPMENT CHARGES (DC) CLAIMABLE WORKS FOR 3080 BOSTWICK ROAD AMEND CONSENT AGREEMENT

RECOMMENDATION

That, on the recommendation of the Managing Director, Development and Compliance Services, and Chief Building Official, the following actions BE TAKEN with respect to the consent agreement between The Corporation of the City of London and 731675 Ontario Ltd (York Developments) for the land municipally known as 3080 Bostwick Rd;

(a) Civic Administration BE DIRECTED to amend the registered consent agreement as attached in Appendix ‘A’; and

(b) the financing for this project BE APPROVED as set out in the Source of Financing Report attached in Appendix ‘B’.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

"Claimable Works for 3080 Bostwick Road – Consent Agreement 731675 Ontario Ltd, Planning and Environment Committee, February 22, 2016"


DISCUSSION

Unlike subdivisions, the provisions of a consent agreement are handled administratively through delegated authority and generally do not involve the construction of claimable infrastructure. Most of the required construction costs are direct to the developer according to the local service standards contained in Schedule 8 of the City’s Development Charges By-law (C.P.-1496-244).

Contained in the initial consent agreement York Developments was to construct the Bostwick Growth Area Watermain and an oversized sanitary sewer to service the Southwest Community Centre development, both of which were eligible for reimbursement from the DC Reserve Funds. At that time, the developer requested consideration of DC claim eligibility for traffic signals and a left hand turn lane at the intersection of Southdale Road and the north/south street abutting the Community Centre.

Upon review of the local service standards mentioned above, it was determined that neither the signalization nor the turn lane were to be eligible for reimbursement from DC Reserve Funds. It was anticipated that a future subdivision application with 3080 Bostwick Road would involve the ultimate design of traffic signals and lane channelization. The terms were agreed upon by both parties at that time to allow construction of the Southwest Community Centre to progress. Subsequent to the consent agreement, in January 2017 a consulting engineer was appointed by the City to conduct an environmental assessment relating to the Southdale Road West widening
project timed for 2022 (DC14-RS00030). Initial feedback has been received that some of the work associated with constructing the turn lane for the Southwest Community Centre will be of benefit to the future road project. As such a cost sharing approach is being recommended between the developer and the City. The City will bear the costs for the granular material as it is classified as permanent works benefitting the Southdale Road project. The developer will bear the costs for the surface works, i.e. asphalt because it is considered temporary and will eventually be removed as part of the future road project.

IBI Group has submitted a work plan on behalf of the developer for the left turn lane on Southdale Rd., the cost estimate is $142,800 including 10% contingency. The claimable portion of the work has been determined to be $87,700 in construction costs and $13,159 in engineering fees for a total of $100,859.

### CONCLUSION

The costs outlined above have capital budgeting implications and staff are recommending that Council approve the attached Source of Financing Report in Appendix ‘B’ to enable a future claim for the minor roadworks.

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<thead>
<tr>
<th>PREPARED BY:</th>
<th>REVIEWED AND SUBMITTED BY:</th>
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<tbody>
<tr>
<td>ADAM LANGMUIR, COORDINATOR, FINANCIAL INFORMATION DEVELOPMENT FINANCE UNIT, DEVELOPMENT SERVICES</td>
<td>PAUL YEOMAN, RPP, PLE DIRECTOR, DEVELOPMENT SERVICES</td>
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<th>RECOMMENDED BY:</th>
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<tr>
<td>GEORGE KOTSIFAS, P. ENG MANAGING DIRECTOR, DEVELOPMENT AND COMPLIANCE SERVICES AND CHIEF BUILDING OFFICIAL</td>
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<th>CONCURRED IN BY:</th>
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<tr>
<td>ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</td>
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August 28, 2017

c.c.: Doug MacRae, Division Manager, Roads and Transportation
      Jason Senese, Manager, Financial Planning & Policy
      John M. Fleming, Managing Director Planning & City Planner

Appendix ‘A’: Amendment to the Consent Agreement
Appendix ‘B’: Source of Financing Report
APPENDIX ‘A’

THIS AGREEMENT made on this xx day of August, 2017

BETWEEN:

THE CORPORATION OF THE CITY OF LONDON
(hereinafter called the City)

OF THE FIRST PART

AND

731675 ONTARIO LIMITED
a Company incorporated under the laws
of the Province of Ontario
(hereinafter called the Owner)

OF THE SECOND PART

WHEREAS the Parties hereto have entered into a certain Consent Agreement dated the 1st day of August, 2016, and registered in the Land Registry Office for the Land Titles Division of Middlesex East (No. 33) on the 27th day of February, 2017, as Instrument Number ER1090126, respecting the lands more particularly described in Schedule “A” attached hereto and other lands;

AND WHEREAS it is deemed expedient to amend the said Agreement dated the 1st day of August, 2016 as hereinafter set out;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and the sum of ONE DOLLAR ($1.00) of lawful money of Canada now paid by the Owner to the City, the receipt whereof is hereby acknowledged, the City and the Owner covenant and agree that the Consent Agreement dated the 1st day of August, 2016 and registered in the Land Registry Office for the Land Titles Division of Middlesex East (No. 33) as Instrument Number ER1090126, be and the same is hereby amended as follows:

1. That Section 21.2 – CLAIMS, be amended to read as follows:

   (a) Where the Owner undertakes construction of works as a capital cost incurred on behalf of the City and as authorized by the City in accordance with this agreement, and which are eligible for a claim and the claim is made against a development charge Reserve Fund or the Capital Works Budget, the Owner must conform with the By-law and policies governing the administration thereof as included in the requirements of City of London By-law C.P.-1496-244 Schedule 8, as amended (the “Development Charges By-law”) including but not limited to requirements for a work plan, tendering of construction work and completeness of claims.

   (b) If the Owner an entitlement to any reimbursement or payment from a development charge Reserve Fund as a result of the terms hereof, the Owner may, upon approval of this Agreement and completion of the works, make application to the Director – Development Finance for payment of the sum alleged to be owing, and as confirmed by the City Engineer (or designate) and the Director – Development Finance and the payment will be made pursuant to any policy
established by Council to govern the administration of the said development charge Reserve Fund.

The anticipated reimbursements from the development charge Reserve Funds are:

(i) for the construction of oversized sanitary sewers (300mm), the estimated cost of which is $5,450; and,

(ii) for the construction of the Bostwick Growth Area watermain (DC14-WD00025), the estimated cost of which is $702,674; and,

(iii) for the construction of a channelized left turn lane on Southdale Rd (DC14-RS00030), the estimated cost of which is $100,859.

The estimated amounts herein will be adjusted in accordance with contract prices in the year in which the work is carried out.

Funds needed to pay the above claims will be committed (on a development by development basis) from approved capital budgets at the time of approval of this agreement, unless funds in approved capital budgets are insufficient to accommodate the commitment to the full extent of the estimated claims. In this case (ie. insufficient capital budget), the excess of the estimated claim over the approved budget shall be submitted for Council approval in the next following budget year.

Claims approvals shall generally not materially exceed approved and committed funding in the capital budget for the estimated claims listed in this agreement.

Any funds spent by the Owner pending future budget approval (as in the case of insufficient capital budget described above), shall be at the sole risk of the Owner pending Council approval of sufficient capital funds to pay the entire claim.

(c) Upon approval of an application for a claim to a development charge reserve fund, the City shall pay the approved claim in full to the Owner subject to the limits discussed above and in accordance with the Council approved “Source of Financing Report” and the then in force Development Charges By-law and any policies established thereunder.

(d) Where the proposed development call for the construction of works, and where the Owner is of the opinion that such works are eligible to be funded in whole or in part from development charges as defined in the DC by-law, and further, where such works are not oversized pipe works (sanitary, storm or water – the reimbursement of which is provided for in subsidy tables in the DC by-law), then the Owner shall submit through their consulting engineer an engineering work plan for the proposed works satisfactory to the City Engineer (or designate) and City Treasurer (or designate). The Owner acknowledges that:

(i) no work subject to a workplan shall be reimbursable until both the City Engineer (or designate) and City Treasurer (or designate) have reviewed and approved the proposed work plan; and

(ii) in light of the funding source and the City’s responsibility to administer development charges funds collected, the City retains the right to request proposals for the work from an alternative consulting engineer.

(e) The following works required by this subdivision shall be subject to a work plan:

(i) Bostwick Growth Area Watermain (DC14-WD00025).
(ii) Southdale Rd Channelized Left Turn Lane (DC14-RS00030).

2. All other provisions and conditions of the said Consent Agreement dated the 1st day of August 2016, and registered in the Land Registry Office for the Land Titles Division of Middlesex East (No. 33), the 27th day of February, 2017, as Instrument Number ER10090126, shall remain in full force and in effect and this Agreement shall alter the said Agreement only as far as is stated herein and the said Agreement in all other respects is hereby confirmed.

IN WITNESS WHEREOF the Parties hereto have hereunto caused to be affixed their respect corporate seals duly attested by the hands of their respective proper signing officers.

SIGNED, SEALED AND DELIVERED  
In the presence of  

THE CORPORATION OF THE CITY OF LONDON

John M. Fleming,  
Managing Director, Planning and City Planner

George Kotsifas,  
Managing Director, Development and Compliance Services & Chief Building Official

731675 ONTARIO LIMITED

I have the authority to bind the Corporation.
SCHEDULE ‘A’

This is Schedule "A" to the Agreement dated this 1st day of August, 2016 between The Corporation of the City of London and 731675 Ontario Limited to which it is attached and forms a part.

THE LANDS:

3080 Bostwick Road being Part of Lots 38 & 39, Concession 2 (Geographic Township of Westminster) in the City of London County of Middlesex more particularly described as:

Being Part of Lots 38 & 39, Concession 2, Geographic Township of Westminster
Designated as Parts 1, 2, 3, 4 and 5 on Plan 33R-19682.
**APPENDIX 'B'**

Chair and Members  
Planning and Environment Committee  

RE: Development Charges (DC) Claimable Works for 3089 Bostwick Road  
Subledger 24069465  
3089 Bostwick Road/S01 Southdale Road West - York Developments  
Capital Project TS1477-1 - Southdale Road West Widening Farnham to Pine Valley

**FINANCE & CORPORATE SERVICES REPORT ON THE SOURCE OF FINANCING:**
Finance & Corporate Services confirms that the cost of this project cannot 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, Development and Compliance Services and Chief Building Official, the detailed source of financing for this project is:

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<tr>
<th>ESTIMATED EXPENDITURES</th>
<th>Approved Budget</th>
<th>Additional Funding and Adjustment</th>
<th>Revised Budget</th>
<th>Committed to Date</th>
<th>This Submission</th>
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<td>$250,020</td>
<td>$242,635</td>
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<td>Construction</td>
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<td>89,244</td>
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**NET ESTIMATED EXPENDITURES**  
$200,000  

**SOURCE OF FINANCING:**

Debenture By-law No. W-5618-64  

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<th>Description</th>
<th>Budget</th>
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<td>Debenture By-law No. W-5618-64</td>
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<td>13,098</td>
<td>31,088</td>
<td>21,861</td>
<td>9,237</td>
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<td>Additional Debenture lat from TS1477-2 - Hyde Park Rd Widening - Ph 2 CP Rail Crossing to Fanshawe</td>
<td>182,000</td>
<td>132,435</td>
<td>314,435</td>
<td>221,037</td>
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**TOTAL FINANCING**  
$200,000  

1) **Financial Note:**

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<td>Contract Price</td>
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<td>Add: HST @13%</td>
<td>11,401</td>
<td>1,711</td>
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<td>Total Contract Price Including Taxes</td>
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<td>Less: HST Rebate</td>
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<tr>
<td>Net Contract Price</td>
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<td>$102,635</td>
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**NOTE TO CITY CLERK:**

2) The City Clerk be authorized to increase Debenture By-law No. W-5618-64 by $13,098 from $18,000 to $31,098.

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

4) The additional financing requirement of $145,533 is available as a transfer of debenture quota in the amount of $13,098 and a transfer of a drawdown from City Services - Roads component (DC) in the amount of $122,435 from TS1477-2 - Hyde Park Rd, Widening - Ph 2 CP Rail Crossing to Fanshawe. This project is substantially complete with a surplus and is therefore available as a source of funding for the Development Charges Claimable Works for 3089 Bostwick Road project.

Signature:  
Larry Palachito  
Director of Financial Planning & Policy