

<b>TO:</b>	<b>CHAIR AND MEMBERS PLANNING AND ENVIRONMENT COMMITTEE MEETING ON OCTOBER 23, 2017</b>
<b>FROM:</b>	<b>G. KOTSIFAS, P.ENG. MANAGING DIRECTOR, DEVELOPMENT &amp; COMPLIANCE SERVICES &amp; CHIEF BUILDING OFFICIAL</b>
<b>SUBJECT:</b>	<b>REVISED LAND ACQUISITION TERMS NORTH LAMBETH P9 STORMWATER MANGEMENT FACILITY COLONEL TALBOT DEVELOPMENTS 39T-12503</b>

**RECOMMENDATION**

That, on the recommendation of the Managing Director, Development and Compliance Services & Chief Building Official, the following actions **BE TAKEN** with respect to the land acquisition terms for North Lambeth P9 Stormwater Management Facility:

- (a) the applicant (Colonel Talbot Developments Inc.) **BE ADVISED** that Development Finance has revised the land acquisition terms for North Lambeth P9 Stormwater Management Facility, attached as Appendix 'A'; and;
- (b) the financing for land acquisition associated with North Lambeth P9 Stormwater Management Facility 39T-12503 **BE APPROVED** as set out in the Source of Financing Report attached as Appendix 'D', and it being noted that the subdivision agreement approved on May 8, 2017 will be amended to reflect the changes identified above.

**PREVIOUS REPORTS PERTINENT TO THIS MATTER**

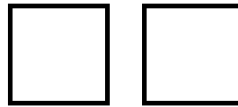
Subdivision Agreement – SWM Facility Colonel Talbot Developments Inc. 3924-4138 Colonel Talbot Road 39T-12503, Meeting on May 8, 2017

Development Charges Policy Review: Major Policies Covering Report”, Strategic Priorities and Policy Committee, July 29<sup>th</sup>, 2013.

**BACKGROUND**

As per the Council-endorsed policy approach for “Improvement to Stormwater Management Reserve Fund Cash Flow”, the following terms regarding land repayment apply:

- o the developer will enter into a subdivision agreement which includes the following requirements and provisions:
  - the land for the stormwater management facility will initially be transferred to the City at no cost; and;
  - repayment of the stormwater management facility land cost will be made when 25% of the Development Charges have been paid within the storm catchment area.



Additionally, under Schedule 8 Section 4.7 the Development Charge By-law, stormwater management facility land value is defined in two ways:

**4.7.1 Non-developable lands**

*“non-developable lands may include designated flood plains, hazard lands, and natural heritage areas as defined in the City’s Official Plan or any area located outside the limit of development as determined through the development studies and/or draft plan or site plan process: \$5,500/acre (\$13,590/hectare)”*

**4.7.3 Developable Lands**

*“developable lands are inside the urban growth boundary and included inside of the limit of development as established by the draft plan or site plan process: \$125,000 (\$308,880 hectare)”*

Prior to the City acquiring the land to construct the stormwater management facility to facilitate development, two calculations are needed, per the above policy and By-law provisions:

1. 25% Development Charge “payment trigger”
2. Land Valuation

The rationale for the revised calculations for the North Lambeth P9 Stormwater Management Facility land transaction is discussed below.

<b>DISCUSSION</b>
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**25% DC Payment Trigger**

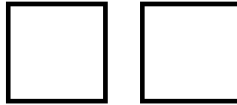
The ‘25% payment trigger’ identifies that payment of the SWMF (Stormwater Management Facility) land cost will be made when 25% of development charges have been collected within the storm catchment area that the SWMF will serve. This is calculated by identifying the projected number and type of units within the storm catchment area and multiplying these by the current Development Charge rate.

The original May 8 2017 report used projected unit counts of 925 for low density residential and 1034 for medium density residential. These were based on best available gross area density calculations for each block of land within the North Lambeth P9 SWMF drainage area. As such, the 25% payment trigger was calculated at \$12,568,000.

However, following approval in May, the applicant provided a detailed lot plan identifying a refined drainage area and exact unit count for their lands. These revisions result in a lower total unit count in the North Lambeth P9 catchment area. Unit counts were revised to 980 low density residential and 466 medium density residential. As such, the amount of Development Charge revenue expected from constructing North Lambeth P9 also has been recalculated. The revised 25% payment trigger based on the refined catchment area and revised unit count would be \$9,826,000 as outlined in Appendix ‘A’.

‘Phase 1’ of plan 39T-12503 accounts for roughly half of the Development Charge revenue counting towards attaining the payment trigger value. The applicant does not rely on external lands to develop in order to trigger this payment. Approximately half of the subdivision will need to have permits issued before the land value can be released.

It should be noted that the trigger value does not get adjusted for actual units built, or for annual indexing of Development Charge rates.



### **Land Valuation**

The land cost of a SWMF is established in accordance with Schedule 8 of the Development Charge By-law. A value of \$125,000 per acre (\$308,880 per hectare) is assigned to developable lands and a value of \$5,500 per acre (\$13,950 per hectare) is assigned to non-developable lands. Non-developable lands include designated flood plains, hazard lands and natural heritage areas as defined in the Official Plan.

The original land cost for the North Lambeth P9 SWM facility identified in the May 8 2017 report was determined based on the UTRCA Generic Regulation Limit which generally reflects the Flood Hazard Limit and the 250-year floodplain. As such, this portion of the facility lands were calculated at the non-developable rate. The initial mapping and calculation reflected this scenario and land areas were applied in accordance with the definitions and rates identified in the Development Charges By-law.

Following Council approval, the applicant made Staff aware that the Flood Hazard Limit had been reviewed and reduced through the development approval process. A detailed background analysis was then undertaken by staff to review the extents of the Flood Hazard limit. Multiple sources were reviewed including:

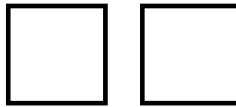
- Environmental Assessment – performed by Stantec, published April 9, 2015;
- OMB Hearing – Decision PL130130, (subject area was withheld from the approval);
- correspondence letters between Stantec, UTRCA & Auburn Developments Inc.;
- direct correspondence from UTRCA; and;
- direct discussions with the applicant.

Through this assessment, it was determined that the applicant had undertaken a hydraulic analysis and that further detailed review of the Flood Hazard Limit was completed during the North Lambeth P9 Environmental Assessment in 2015. Given that the upstream drainage area is less than 125ha and would have minimal affects to neighbouring and downstream properties, it was determined that the extent of the Flood Hazard Limit should be revised to align with upstream channel limit. UTRCA correspondence concludes that it was deemed acceptable to revise the Flood Hazard Limit for these lands to reflect the upstream channel limit as shown in Appendix 'C'.

The resulting factor increases the land payment from \$632,664 as originally estimated to \$1,165,607 (plus applicable taxes) due to the former 'non-developable' Flood Hazard Limit lands being recalculated at the higher 'developable' land rate of \$308,880/ha as per the Development Charge By-law.

<b>CONCLUSION</b>
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Staff are recommending the additional funding be approved for the future land claim by the applicant when the 25% DC payment trigger is met, and the revised values outlined in Appendix 'A' be updated in the Land Acquisition Subdivision Agreement. Through further analysis, it has become clear that the regulatory hazard limit has been reduced as identified in the Environmental Assessment.



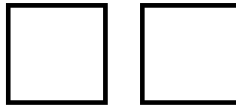
<b>PREPARED BY:</b>	<b>REVIEWED AND SUBMITTED BY:</b>
<b>ADAM LANGMUIR COORDINATOR, FINANCIAL INFORMATION DEVELOPMENT FINANCE, DEVELOPMENT &amp; COMPLIANCE SERVICES</b>	<b>PAUL YEOMAN, RPP, PLE DIRECTOR, DEVELOPMENT SERVICES</b>
<b>RECOMMENDED BY:</b>	
<b>GEORGE KOTSIFAS, P. ENG. MANAGING DIRECTOR, DEVELOPMENT &amp; COMPLIANCE SERVICES AND CHIEF BUILDING OFFICIAL</b>	
<b>CONCURRED IN BY:</b>	
<b>ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>	

Attached:

- Appendix 'A' – Revised Land Valuation & Payment Trigger Calculation
- Appendix 'B' – Revised Land Valuation Mapping
- Appendix 'C' – Revised Land Payment Trigger Mapping
- Appendix 'D' – Source of Financing Report

October 23, 2017

- cc. Stephen Stapleton, Auburn Developments Inc.
- Chris McIntosh, Environment Service Engineer, Stormwater Management
- Jason Sense, Manager Financial Planning & Policy
- Debbie Gibson, Financial Business Administrator, Finance & Corporate Services



**APPENDIX 'A'**  
**Revised Land Valuation & Payment Trigger Calculation**

*Figure 1: Land Area & Valuation Breakdown – per DC By-law 1496-244 Schedule 8 s.4.7*

Category	Area (hectares)	DC By-law Rate per ha	Totals
Developable	3.69	\$308,880	\$1,139,895
Non-Developable	1.89	\$13,590	\$25,712
<b>Total</b>	<b>5.58</b>		<b>\$1,165,607</b>

DC Project #: DC14-MS00025  
 Capital Account: ESSWM-DCNLP9

E+OE

*Figure 2: 25% DC Revenue Land Payment Trigger Calculation - per SWM Land Payment Policy, Staff Report July 29, 2013.*

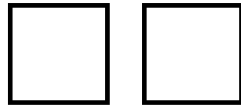
Category	Yields	DC Rate	Estimated DC Revenue
<b>Total Minor &amp; Major Flows to SWMF P9</b>			
LDR	980	\$29,561	\$ 28,969,780
MDR	466	\$22,173	\$ 10,332,618
HDR <2	0	\$13,755	\$ -
HDR >= 2	0	\$18,561	\$ -
INST	0	\$145.12	\$ -
COMM	0	\$257.51	\$ -
IND	0	\$177.98	\$ -
<b>Total Projected Revenues</b>			<b>\$ 39,302,398</b>

25% **\$9,826,000**

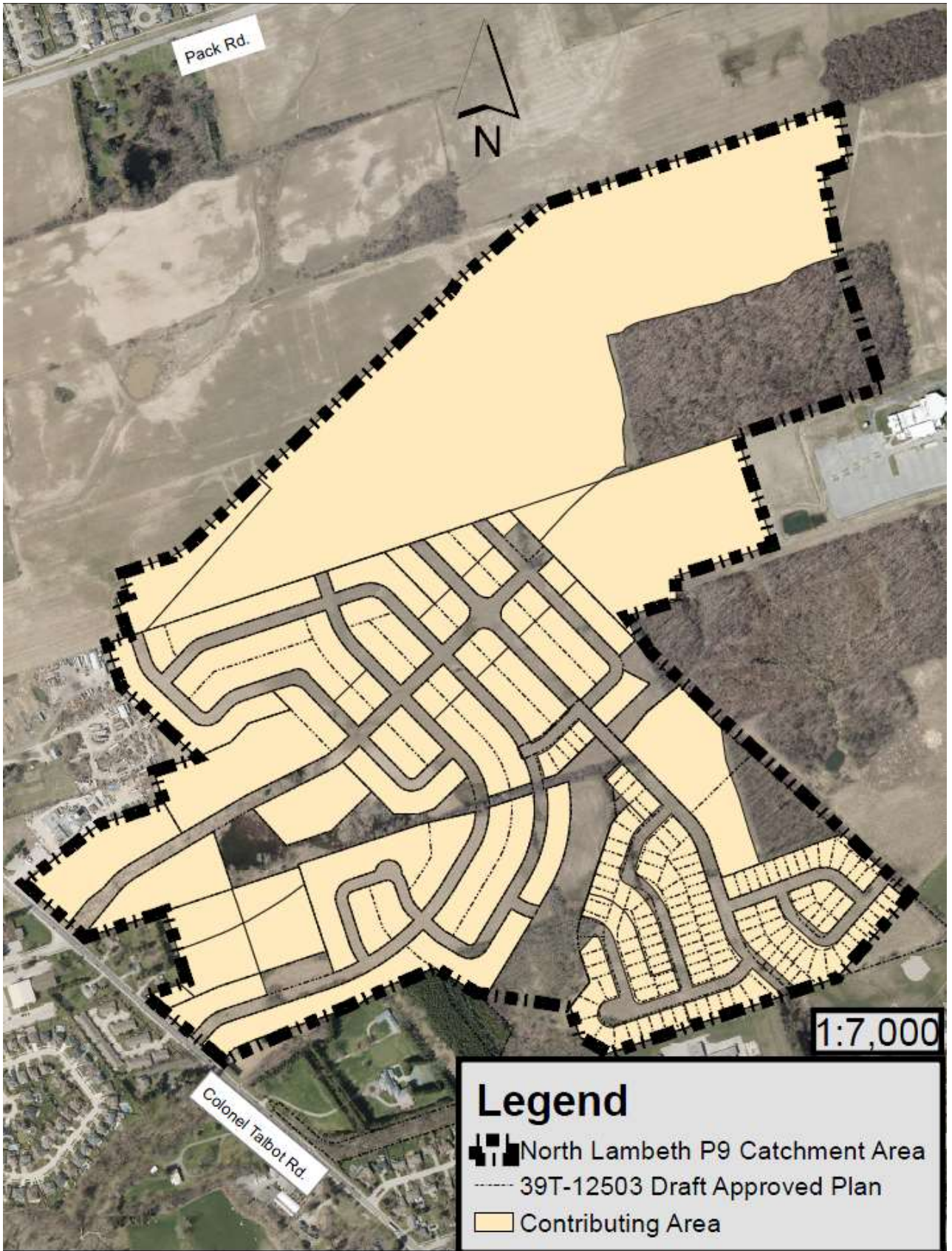
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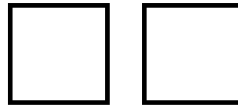
Notes:

- 1) SWMF area calculations based on Registered Plan 33R-19758, Parts 2-12
- 2) Yields for 39T-12503 based on current draft plan of subdivision
- 3) Yields for lands to the north used Vacant Land Inventory data as at December 31, 2016. Gross up density factors of 16 for LDR & 30 for MDR.
- 4) 2017 DC rates used for estimated revenue figures

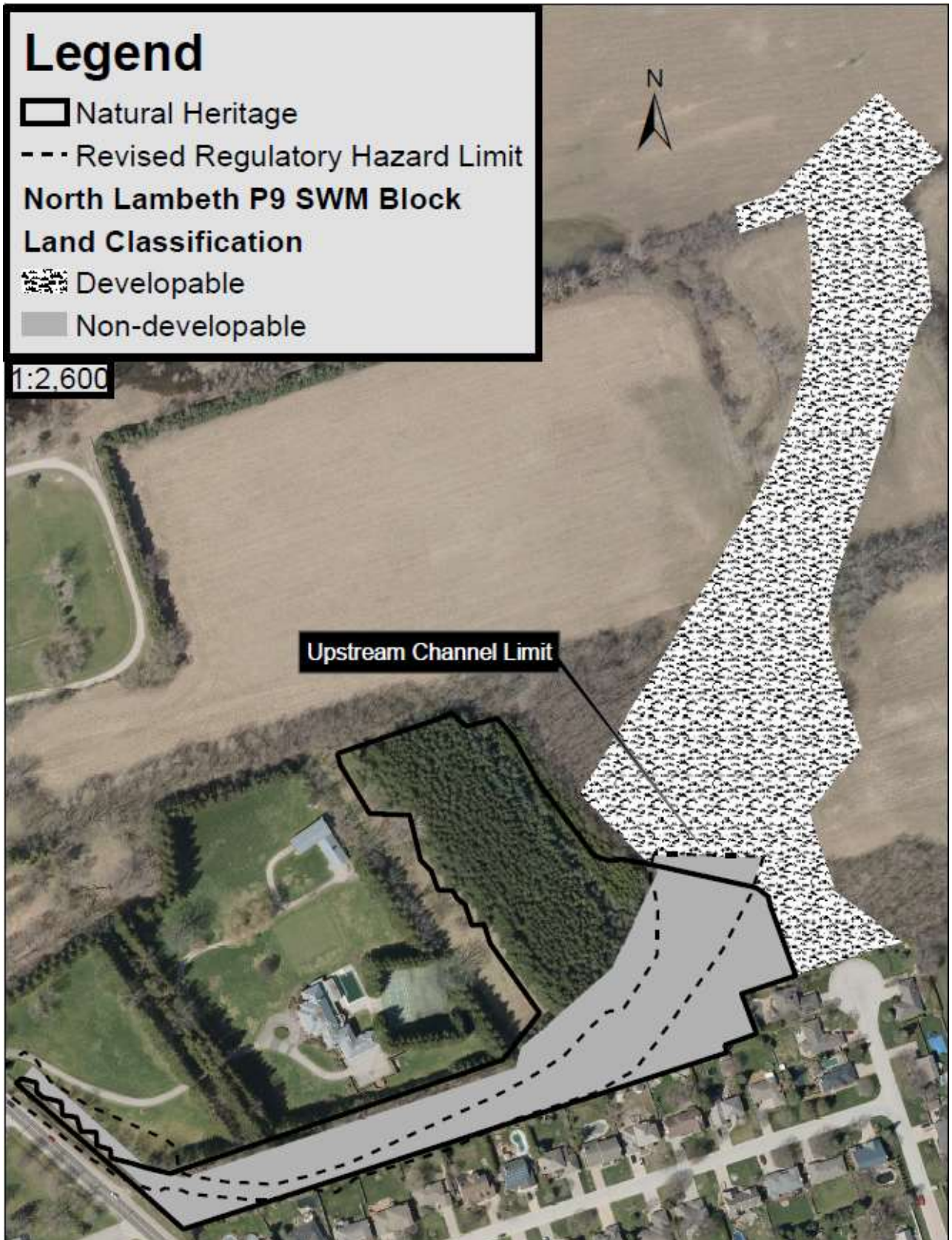


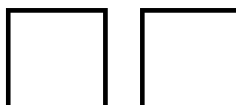
**APPENDIX 'B'**  
**Revised 25% Land Payment Trigger Mapping**





**APPENDIX 'C'**  
**Revised Land Valuation Mapping**





**APPENDIX 'D'**

Chair and Member  
 Planning & Environment Committee

#17185  
 October 23, 2017  
 (Revised Land Acquisition Terms)  
 (39T-12503)

**RE: Revised Land Acquisition Terms North Lambeth P9 Stormwater Management Facility  
 (Subledger LD170024)  
 Capital Budget Project No. ESSWM-DCNLP9 - SWM Facility Dingman Creek North Lambeth No. P9  
 Colonel Talbot Developments Inc. - \$1,165,607.00 (excluding H.S.T.)**

**FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:**

Finance & Corporate Services confirms that the cost of this purchase 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, Development and Compliance Services and Chief Building Official, the detailed source of financing for this purchase is:

<u>ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Committed To Date</u>	<u>This Submission</u>	<u>Balance For Future Work</u>	
Engineering	\$770,414	\$770,414	\$770,414		\$0	
Land Acquisition	700,000	1,215,037	632,664	562,110	20,263	
Construction	3,000,000	2,484,963			2,484,963	
City Related Expenses	679,586	679,586	49,306		630,280	
<b>NET ESTIMATED EXPENDITURES</b>	<b>\$5,150,000</b>	<b>\$5,150,000</b>	<b>\$1,452,384</b>	<b>\$562,110</b> 1)	<b>\$3,135,506</b>	
<b><u>SOURCE OF FINANCING</u></b>						
Drawdown from City Services-Mjr. SWM Reserve Fund (Development Charges)	2)	2,187,185	2,187,185	1,452,384	562,110	172,691
Debenture By-Law No. W.-5584-183 Serviced through City Services Mjr. SWM Reserve Fund (Development Charges)	2)	2,962,815	2,962,815			2,962,815
<b>TOTAL FINANCING</b>		<b>\$5,150,000</b>	<b>\$5,150,000</b>	<b>\$1,452,384</b>	<b>\$562,110</b>	<b>\$3,135,506</b>

1) Financial Note:

Purchase Cost  
 Less Previously Approved by Council May 16, 2017

Add: Land Transfer Tax  
 Add: HST @13%  
 Less: HST Rebate  
 Total Purchase Cost

<u>Total</u>
\$1,165,607
632,664
532,943
19,787
69,283
(59,903)
<b>\$562,110</b>

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

JG

  
 Jason Senese  
 Manager of Financial Planning & Policy