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TO:	CHAIR AND MEMBERS BUILT AND NATURAL ENVIRONMENT COMMITTEE MEETING AUGUST 15, 2011
FROM:	DAVID AILLES MANAGING DIRECTOR – DEVELOPMENT APPROVALS BUSINESS UNIT
SUBJECT:	LAND VALUATION FOR STORM WATER MANAGEMENT FACILITIES LOCATED OUTSIDE THE URBAN GROWTH BOUNDARY WICKERSON STORMWATER MANAGEMENT POND LANDS

RECOMMENDATION

That, on the recommendation of Managing Director, Development Approvals Business Unit, this report **BE RECEIVED** for information in response to a request by the BNEC at its meeting held on July 18, 2011 to provide a further report, including input from Realty Services, with respect to the evaluation of the proposed land value of the claim.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

- Board of Control, May 13, 2009 - 2009 Development Charges Adoption of DC Policy, Background Study & Rate By-Law;
- Environment and Transportation Committee, April 7, 2008 - Municipal Class Environmental Assessment Recommendations For Proposed Storm/Drainage And Stormwater Management Servicing Works For Wickerson Road Development Area
- Built and Natural Environment Committee, July 18, 2011 - Land Valuation for Storm Water Management Facilities Located Outside The Urban Growth Boundary – Wickerson Stormwater Management Pond Lands

BACKGROUND

Part of the City's policy on sharing of the costs of Storm Water Management (SWM) Ponds provides that the lead landowner for such ponds be reimbursed for the value of their land dedicated for such facilities. The cost of these lands is ultimately recovered through development charges at a rate of \$247,100 per hectares for table lands (inside the Urban Growth Boundary). The lands for the Wickerson Stormwater Management Pond (Appendix A: Location Map) are a special case as they are located outside the Urban Growth Boundary.

DISCUSSION

Purpose:

To reimburse Sifton Properties Limited for the land required for the Wickerson Road Stormwater Management Pond at a rate acceptable to City Council.

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Context:

In 2002 approval was provided to allow Z-Group to develop a portion of the Wickerson Road Development Area which required a temporary stormwater management pond to allow it to proceed. Sifton Properties accommodated Z-Group's development by providing land on their own property for the construction of the required temporary stormwater management pond. Since this time the Z-Group portion of the Wickerson Road Development Area has almost completely built out. In 2005 an environmental assessment for the Wickerson Road Development Area commenced and was adopted by Council April 14th, 2008. The Environmental Assessment recommended that the temporary pond be made permanent. In order for the City to attain a Certificate of Approval for a permanent pond from the Ministry of the Environment the pond property must first be acquired from Sifton Properties.

A number of factors must be considered in order to develop a value for the Wickerson SWM pond lands. The Wickerson SWM pond lands will be paid for through development charges. Development charges are collected based on a number of development charge background studies. The current development charge background study relating to stormwater infrastructure includes the provision for the Wickerson Stormwater Management Pond. The basis for the calculation of the estimated cost for the Stormwater Management Pond was a land value of \$247,100 per hectare for tableland. Since the adoption of the Development Charges By-law, development charge fees on the lots (which are almost completely built out) draining to Wickerson Stormwater Management Pond have been collected on the basis of \$247,100 per hectare for tableland. The recommendation provided in the July 18, 2011 report reflects this rationale. No commitment was made by staff to value the land at \$247,100 per hectare for tableland.

Consultation was undertaken with both Realty and Legal Services regarding the value of land outside the Urban Growth Boundary in the context of the Development Charge By-law. It is the advice of Legal Services that the DC By-law is clear that the value of \$247,100 per hectare apply to lands inside the Urban Growth Boundary. The DC By-law makes no mention of the value of land outside the Urban Growth Boundary. It should be noted that all of the developable lands serviced by the SWM pond are located inside the Urban Growth Boundary.


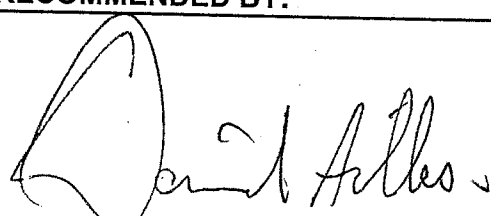
Based on a previous appraisal of other lands outside the urban growth boundary, Realty Services provided a preliminary opinion that the value of the Wickerson Stormwater Management Pond Lands may be less than the by-law value of \$247,100 per hectare for tableland. Sifton has indicated that they are not willingly to sell the property for less than the \$247,100 per hectare which is the development charge by-law value for all other pond lands.

Further to the request by Council July 25th, 2011, Realty Services was engaged to estimate the fair market value for the Wickerson Stormwater Management Pond Land. Realty Services appraisal report will be provided under separate cover.

CONCLUSION

In the absence of DC by-law provisions to the contrary, the Administration provides council a recommendation based on the tableland rate used in the DC Background Study and collected while the neighbourhoods were built out over the last ten years. Administration intends to review this valuation practice as per the committee's direction at the July 18, 2011 meeting and recommend changes in the next DC by-law update. Given the provision of information provided by Realty Services, staff are seeking direction from Council in establishing a value to finalize this claim.

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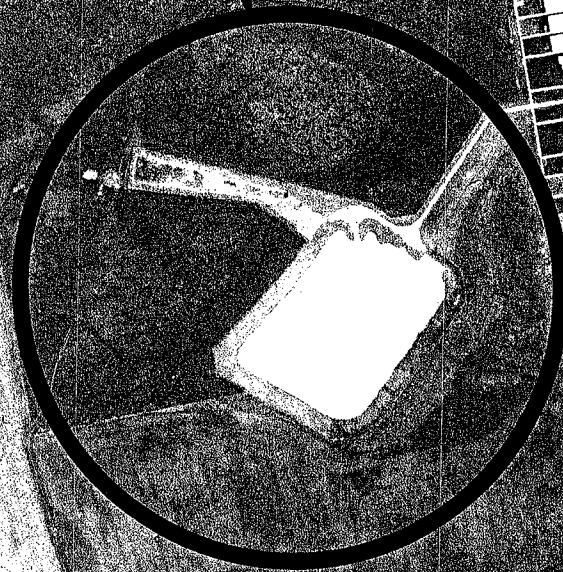
PREPARED BY:	RECOMMENDED BY:
	
S. MATHERS MANAGER – DEVELOPMENT FINANCE DEVELOPMENT APPROVALS BUSINESS UNIT	DAVID AILLES MANAGING DIRECTOR, DEVELOPMENT APPROVALS BUSINESS UNIT PLANNING DEPARTMENT

July 29, 2011

- c. Bill Warner, Manager of Realty Services
Ron Standish, Director, Waste Water and Treatment
Berta Krichker, Manager of Stormwater
David Munteer, Realty Services
Scott Mathers, Manager, Development Finance

APPENDIX 'A' LOCATION MAP




*Wickerson
Stormwater Pond*



LOCATION MAP

CITY OF LONDON

Legend

-  ASSESSMENT PARCELS
-  UNDER REVIEW SUBDIVISIONS
-  BUILDINGS



SUBJECT SITE:
**WICKERSON
SWM POND LOCATION**

FILE NO:

MAP PREPARED:

July 8, 2011

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