

Report to Planning and Environment Committee

To: Chair and Members
Planning and Environment Committee
From: Anna Lisa Barbon, Deputy City Manager, Finance Supports
Subject: Development Charge Claimable Works for Sunningdale Court
Subdivision Phase 1
Date: February 28, 2022

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the attached Source of Financing outlined in Appendix 'A' **BE APPROVED** with respect to the subdivision agreement between The Corporation of the City of London and Sunningdale Golf and Country Ltd., for the Development Charge claimable works related to the Sunningdale Court Subdivision Phase 1.

Linkage to the Corporate Strategic Plan

This report supports the 2019-2023 Strategic Plan for the City of London through the Building a Sustainable City strategic area of focus by ensuring infrastructure is built to support future development.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

June 21, 2021, Planning and Environment Committee, 600 Sunningdale Road West, Sunningdale Court Subdivision Phase 1 - Special Provisions - 39T-18501 (Agenda Item 2.8)

2.0 Discussion

Sunningdale Golf and Country Ltd. entered into a subdivision agreement with the City of London to develop forty-two (42) single detached lots at 600 Sunningdale Road West. This development includes the construction of Development Charge (DC) claimable infrastructure required to facilitate the development and serve a regional benefit to growth. The DC claimable infrastructure includes construction of stormwater management works within the Sunningdale 6B SWMF block and an Oil Grit Separator (OGS) treatment system approved as an alternative design solution in lieu of the Sunningdale 6A SWMF identified in the 2014 DC Background Study. Council approved the subdivision special provisions and committed funding to enable a claim payment associated with these works on July 6, 2021.

The DC By-law requires that claimable works with an estimated amount in excess of \$100,000 be undertaken by public tender which aligns with the City's Procurement of Goods and Services Policy. Sunningdale Golf and Country Ltd. issued a public tender for the claimable works which closed on September 17, 2021 and received three competitive bids. The lowest accepted bid was higher than the estimated claim amounts included in the approved Work Plan. The construction scope and individual tender items have not changed, only the tendered unit rates have increased for various items including the flow inlet chamber, headwall, spillway, box culvert and associated labour for construction. The engineering budget has not changed from the approved Work Plan estimates.

3.0 Financial Impact

Revisions to the anticipated reimbursement from the DC reserve funds excluding HST to address the unit price increases associated with the claimable works for Sunningdale Court Subdivision Phase 1 are as follows:

- (i) for the construction of the stormwater management OGS Treatment System and Outlet which replaces the Sunningdale 6A SWMF, the estimated cost of which is \$548,947 (previously approved \$407,743);
- (ii) for the construction of the stormwater management works within Block 103 under Plan 33M-593 (Sunningdale 6B SWMF), the estimated cost of which is \$186,336 (previously approved \$113,332).

A revised Source of Financing containing the adjustments noted above can be found in Appendix 'A'.

Conclusion

The DC claimable infrastructure associated with the Sunningdale Court Subdivision Phase 1 was publicly tendered in accordance with the DC By-law, however the lowest successful bid resulted in a need to increase to the approved funding.

Staff are recommending that Council approve the attached Source of Financing in Appendix 'A' to enable a claim payment to Sunningdale Golf and Country Ltd.

Prepared by: Jason Senese, CPA, CGA, MBA
Manager, Development Finance

Submitted by: Paul Yeoman, RPP, PLE
Director, Capital Assets and Projects

Recommended by: Anna Lisa Barbon, CPA, CGA
Deputy City Manager, Finance Supports

Cc.: Jason Davies, Manager, Financial Planning & Policy

Appendix 'A': Source of Financing

Appendix A – Source of Financing

Appendix "A"

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(39T-18501_1)

Chair and Members
Planning and Environment Committee

RE: Subdivision Special Provisions - Sunningdale Court Phase 1
Corlon Properties Inc.
Capital Project ESSWM-SD6A - SWM Facility - Sunningdale No. 6A (2539704)
Capital Project ES6610 - UWRF Transition to CSRF - SWM (2539706)

Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the cost of this project cannot be accommodated within the financing available for it in the Capital Budget, but can be accommodated by an additional drawdown from City Services - Stormwater Reserve Fund, and that, subject to the approval of the Deputy City Manager, Finance Supports, the detailed source of financing is:

Estimated Expenditures	Approved Budget	Additional Requirement (Note 1)	Revised Budget	Committed To This Date	This Submission	Balance for Future Work
ESSWM-SD6A - SWM Facility - Sunningdale No. 6A						
Engineering	62,104	0	62,104	62,104	0	0
Construction	414,920	143,690	558,610	414,920	143,690	0
ESSWM-SD6A Total	477,024	143,690	620,714	477,024	143,690	0
ES6610 - UWRF Transition to CSRF - SWM						
Engineering	1,854,660	0	1,854,660	521,193	0	1,333,467
Land Acquisition	1,142,246	0	1,142,246	1,142,246	0	0
Construction	4,517,394	0	4,517,394	4,063,238	74,289	379,867
ES6610 Total	7,514,300	0	7,514,300	5,726,677	74,289	1,713,334
Total Expenditures	\$7,991,324	\$143,690	\$8,135,014	\$6,203,701	\$217,979	\$1,713,334

Sources of Financing

ESSWM-SD6A - SWM Facility - Sunningdale No. 6A						
Drawdown from City Services - Stormwater Reserve Fund (Development Charges) (Note 2)	477,024	143,690	620,714	477,024	143,690	0
ES6610 - UWRF Transition to CSRF - SWM						
Drawdown from City Services - Stormwater Reserve Fund (Development Charges) (Note 2)	7,514,300	0	7,514,300	5,726,677	74,289	1,713,334
Total Financing	\$7,991,324	\$143,690	\$8,135,014	\$6,203,701	\$217,979	\$1,713,334

Financial Note - Construction

	ESSWM-SD6A	ES6610	Subtotal
Contract Price	\$548,947	\$186,336	\$735,283
Less: Amount Previously Approved	407,743	\$113,332	521,075
Contract Price	\$141,204	\$73,004	\$214,208
Add: HST @13%	18,357	9,491	27,847
Total Contract Price Including Taxes	159,561	82,495	242,055
Less: HST Rebate	-15,871	-8,206	-24,076
Net Contract Price	\$143,690	\$74,289	\$217,979

Note 1: The additional requirement is available as a drawdown from the City Services - Stormwater Reserve Fund (Development Charges). The uncommitted balance of the reserve fund will be approximately \$4.1M with the inclusion of this project,

Note 2: Development Charges have been utilized in accordance with the underlying legislation and the approved 2019 Development Charges Background Study and the 2021 Development Charges Background Study Update.

Kyle Murray
Director, Financial Planning and Business Support
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