



Report to: Development Services Committee

Meeting Date: November 23, 2020

SUBJECT: Authority to provide Development Charge Credits and/or Reimbursements to Lindwide Developments (Cornell) Limited for the Construction of Infrastructure on the City's Behalf (Ward 5)

PREPARED BY: Syed Sultan, Development Engineer, ext. 2629

REVIEWED BY: Reza Fani, Manager, Development Engineering, ext. 2414

RECOMMENDATION:

1. That the report entitled "Authority to provide Development Charge Credits and/or Reimbursements to Lindwide Developments (Cornell) Limited for the Construction of Infrastructure on the City's Behalf (Ward 5)" be received; and,
2. That Council authorize a City Wide Hard Development Charge credit and/or reimbursement not exceeding \$331,740, to Lindwide Developments (Cornell) Limited relating to its portion of the construction costs associated with a pressure reducing valve ("PRV") and a Chamber at the intersection of Cornell Rouge Blvd. and Highway 7 and a watermain on Highway 7 from Cornell Rouge Blvd. to Donald Cousens Parkway; and,
3. That Council authorize a City Wide Hard Development Charge credit and/or reimbursement not exceeding \$713,837, to Lindwide Developments (Cornell) Limited relating to its portion of the property and construction costs associated with the right-of-way, exceeding 23 metres and asphalt exceeding 11.0 metres, on Bur Oak Avenue from Highway 7 to 260 metres South; and,
4. That Council authorize a City Wide Hard Development Charge credit and/or reimbursement not exceeding \$550,717, to Lindwide Developments (Cornell) Limited relating to its portion of the property and construction costs associated with the right-of-way, exceeding 23 metres and asphalt exceeding 11.0 metres, on William Forster Road from Highway 7 to 200 metres South; and,
5. That all of the above credits or reimbursements shall be the absolute value of the credits and reimbursements, and that HST, interest and/or indexing shall not be credited or reimbursed; and,
6. That the Mayor and Clerk be authorized to execute a Development Charge Credit and/or Reimbursement Agreement(s), if required, in accordance with the City's Development Charge Credit and Reimbursement Policy, with Lindwide Developments (Cornell) Limited, or its successors in title to the satisfaction of the Treasurer and the City Solicitor; and further;
7. That staff be directed to do all things necessary to give effect to this report.

PURPOSE:

The purpose of this report is to obtain Council authorization:

- a) to grant City Wide Hard Development Charge credit and/or reimbursement, not exceeding \$1,596,294, to Lindwide Developments (Cornell) Limited, in accordance with the City's Development Charge Credit and Reimbursement Policy. The requested credit and/or reimbursement is for the construction of the following infrastructure:
 - A pressure reducing valve ("PRV") and a Chamber at the intersection of Cornell Rouge Blvd. and Highway 7 and a watermain on Highway 7 from Cornell Rouge Blvd. to Donald Cousens Parkway;
 - Property and construction costs associated with the right-of-way, exceeding 23 metres and asphalt exceeding 11.0 metres, on Bur Oak Avenue from Highway 7 to 260 metres South;
 - Property and construction costs associated with the right-of-way, exceeding 23 metres and asphalt exceeding 11.0 metres, on William Forster Road from Highway 7 to 200 metres South; and,
- b) for the Mayor and Clerk to enter into the necessary Development Charge Credit and/or Reimbursement Agreement(s).

The Development Charge (DC) eligible infrastructure includes the design, contract administration and construction costs.

These works were necessary for the developer to complete and service its plan of subdivision located on the south side of Highway 7 and west side of Donald Cousens Parkway, and therefore, could not be constructed by the City at a later date. Council's authorization is required in accordance with the Development Charge Credit and Reimbursement Policy, as the credit and/or reimbursement request exceeds the Treasurer's approval authority of up to \$500,000.

BACKGROUND:

On July 14, 2020, Council adopted a report entitled, "*RECOMMENDATION REPORT Lindwide Developments (Cornell) Limited Proposed Draft Plan of Subdivision and Zoning By-law Amendment applications to permit 79 single detached dwellings, 270 townhouse dwellings, 162 stacked townhouse dwellings, high rise residential and employment uses, on the south side of Highway 7 and west side of Donald Cousens Parkway, (Ward 5)*". That report did not include draft plan conditions to acknowledge that Lindwide Developments (Cornell) Limited ("Lindwide") would be reimbursed for constructing DC eligible infrastructure, as the detailed cost estimates for the infrastructure had not yet been submitted to the City for review and acceptance.

Lindwide's consultant has now identified the DC eligible infrastructure that is to be constructed, and provided detailed cost estimate of the infrastructure. Staff in the Engineering and Finance Departments have reviewed the infrastructure and the detailed cost estimate, and concurred with the estimate.

The DC eligible infrastructure are shown in Attachment 'A'.

OPTIONS/DISCUSSION:

City Wide Hard Development Charge Credits and/or Reimbursements

In accordance with the City's Development Charge Credit and Reimbursement Policy, development charge credit and/or reimbursement will be limited to the lesser of the amount in the Development Charges Background Study and the actual cost of the infrastructure. In this instance, the 2017 Development Charges Background Study establishes the estimated cost of the infrastructure, at \$1,596,294.

The total estimated cost of the DC eligible infrastructure, as submitted by the developer is

\$2,626,000 as seen in the table below, which is more than the amount in the DC Background Study. Therefore, Lindwide will be eligible for reimbursement to a maximum of \$1,596,294 exclusive of HST, based on the lesser of the amount in the Development Charges Background Study and the actual cost for each individual component of the works shown below. It should be noted that the City does not give credit for, or reimburse, HST costs, and no interest or indexing shall be payable on the maximum credit/reimbursement.

Infrastructure	Project Location		Developer's Submitted (Estimated) Cost	Cost in the 2017 DC Background Study
Watermain	South of Highway 7	Cornell Rouge Blvd. to Don Cousens Blvd.	\$ 390,000	\$ 331,740
Roads	Bur Oak Avenue	Hwy 7 to Michelina Terrace	\$ 139,000	\$ 214,344
Property	Bur Oak Avenue	Hwy 7 to Michelina Terrace	\$ 979,000	\$ 499,493
Roads	William Forster Road	Hwy 7 to 200m South (Street D)	\$ 139,000	\$ 165,799
Property	William Forster Road	Hwy 7 to 200m South (Street D)	\$ 979,000	\$ 384,918
			\$ 2,626,000	\$ 1,596,294

Timing of Recommended Credits and/or Reimbursements

DC Credits and/or Reimbursements Components

The final DC credits and/or reimbursements amounts are to be issued to Lindwide once the Director of Engineering has confirmed that the DC eligible works have been completed, the certified costs are provided and reviewed by the Engineering Department,

and the DC credit and/or reimbursement agreement, if necessary, is executed.

The City may enter into DC credits/reimbursements agreements as permitted by Section 38(1) of the *Development Charges Act, 1997* which provides as follows:

“If a municipality agrees to allow a person to perform work that relates to a service to which a development charge by-law relates, the municipality shall give the person a credit towards the development charge in accordance with the agreement.”

Development Charge credits and/or reimbursements have been used in a number of development applications, to facilitate the construction of infrastructure in advance of the City’s capital programs in order for development to proceed.

FINANCIAL CONSIDERATIONS:

There is no net financial impact to the City as DC credits/reimbursements are provided to developers in exchange for the construction of works included in the City’s Development Charges Background Study, in compliance with the Development Charge Credit and Reimbursement Policy. The payment of \$1,596,294 exclusive of HST for the DC eligible infrastructure will be funded from DCs as it is required due to growth, as such there is no negative financial impact to the City. It should be noted that the City does not give credit for, or reimburse HST costs, and no interest or indexing shall be payable on the maximum credit/reimbursement.

Consistent with the City’s Development Charge Credit and Reimbursement Policy, Lindwide will be required to pay an administration fee for the Engineering, Legal and Finance Department’s costs incurred relating to the review, preparation and administration of the Development Charge credit and/or reimbursement. The fee is structured in the following manner:

- An application fee of \$1,628.50 plus HST to review the development charge credit and/or reimbursement request; plus
- A fee equivalent to 1.0% of the value of the credit and/or reimbursement request or a maximum of \$10,856. For this application, the fee is \$10,856 plus HST and is payable upon credit and/or reimbursement of the approved amounts.

Other legal fees may be applicable upon execution of an agreement by the City and Lindwide.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The recommendations of this report are consistent with the City’s goal of efficient service delivery and financial stewardship.

BUSINESS UNITS CONSULTED AND AFFECTED:

Finance and Legal Services Departments have reviewed this report and their comments are incorporated.

RECOMMENDED BY:

Joel Lustig
Treasurer

Brian Lee, P. Eng.
Director of Engineering

Trinela Cane
Commissioner, Corporate Services
Services

Arvin Prasad, MCIP, RPP
Commissioner, Development

ATTACHMENTS:

Attachment 'A' – DC Eligible Infrastructure