



Report to: Development Services Committee

Meeting Date: May 2, 2023

SUBJECT: Authority to Provide Development Charge Credits and/or Reimbursements for the Construction of the Greenway Crossing on Street D/Stoney Hill Blvd (“North Greenway Crossing”) and the Greenway Crossing on Street E/Vine Cliff Blvd (“South Greenway Crossing”) to the Trustee of Berczy Glen Landowners Group Inc. (Ward 2)

PREPARED BY: Henry Lo, P. Eng., Ext. 4030
Scott MacKenzie, P. Eng., Ext 2205

REVIEWED BY: Frank Clarizio, Ext. 7507
Kevin Ross, Ext. 2126

RECOMMENDATION:

1. That the report entitled “Authority to Provide Development Charge Credits and/or Reimbursements for the Construction of the Greenway Crossing on Street D/Stoney Hill Blvd (“North Greenway Crossing”) and the Greenway Crossing on Street E/Vine Cliff Blvd (“South Greenway Crossing to the Trustee of Berczy Glen Landowners Group Inc. (Ward 2)” be received;
2. That Council authorize Development Charge Credits and/or Reimbursements not exceeding \$12,020,000 for the North Greenway Crossing and \$12,900,000 for the South Greenway Crossing to the Trustee of Berczy Glen Landowners Group Inc. (“Trustee”), an increase from the previously approved \$8,000,000 for each crossing, for the design, contract administration, construction, and maintenance costs, until Assumption, associated with the construction of the North Greenway Crossing and the South Greenway Crossing that will service the Berczy Glen Secondary Plan in the City’s Future Urban Area (FUA) as follows:
 - a. North Greenway Crossing - City Wide Hard Development Charges to a maximum of \$12,020,000 (increased from \$8,000,000); and
 - b. South Greenway Crossing - City Wide Hard Development Charges to a maximum of \$12,900,000 (increased from \$8,000,000);
3. That the Mayor and Clerk be authorized to execute Development Charge Credit and/or Reimbursement Agreements, if required, in accordance with the City’s Development Charge Credit and Reimbursement Policy, with the Trustee of Berczy Glen Landowners Group Inc., or their successors in title to the satisfaction of the Treasurer and the City Solicitor, or their respective delegates;
4. That all of the above credits and/or reimbursements shall exclude HST and interest and shall be indexed in accordance with the City’s Development Charge Credit & Reimbursement Policy; and

5. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

This report recommends that the Mayor and Clerk be authorized to enter into Development Charge Credit and/or Reimbursement Agreements with the Trustee of Berczy Glen Landowners Group Inc. who will be constructing two (2) Greenway Crossings (North Greenway Crossing and South Greenway Crossing) to accommodate growth in the Berczy Glen Secondary Plan.

PURPOSE:

The purpose of this report is to obtain Council authorization to grant City Wide Hard Development Charge Credits and/or Reimbursements to the Trustee of Berczy Glen Landowners Group Inc. (Trustee). The amount is to not exceed \$12,020,000 for the North Greenway Crossing and \$12,900,000 for the South Greenway Crossing (indexed) all in accordance with the City's Development Charge Credit and Reimbursement Policy. The project is for the design, contract administration, construction and maintenance costs, until Assumption, associated with the construction of two (2) Greenway Crossings (North Greenway Crossing and South Greenway Crossing) that will service the Berczy Glen Secondary Plan. The location of the Greenway Crossings is shown on a figure appended to this report as **Attachment A**.

BACKGROUND:

On November 27, 2018, Council approved the Official Plan Amendment application submitted by the Berczy Glen Landowners Group. This application facilitated the creation of the Berczy Glen Secondary Plan based on the Conceptual Master Plan (CMP) for the Future Urban Area (FUA), which was endorsed by Council on October 17, 2017.

To date, five (5) Draft Plan of Subdivision applications within the Berczy Glen Secondary Plan have received approval. The Owners are in the process of designing the required infrastructure to service their respective Draft Plans of Subdivision.

Two (2) important pieces of infrastructure in the Berczy Glen Secondary Plan are the crossings of the Greenway. The City and the Trustee are finalizing a construction agreement to secure the obligations relating to the construction of the North Greenway Crossing and South Greenway Crossing.

Construction of the North Greenway Crossing and South Greenway Crossing are anticipated to commence in 2023 and 2024 respectively, to coincide with the Owners' schedule and minimize potential delays.

In order for the Trustee to be credited and/or reimbursed for the cost of constructing the infrastructure, Council's authorization is required in accordance with the

Development Charges Credit and Reimbursement Policy.

Previous Authorization

On May 4, 2021, Council received and approved a staff report entitled:

- *“Authority to provide Development Charge (DC) Credits and/or Reimbursements to the Trustee of Berczy Glen Landowners Group Inc. and to Mattamy (Berczy Glen) Limited (Wards 2 and 6)”*.

One of the report recommendations was to authorize a City-Wide Hard Development Charge Credit and/or Reimbursement not exceeding \$8,000,000, to the Trustee of Berczy Glen Landowners Group Inc., for the design, contract administration, and construction costs associated with the construction of the North Greenway Crossing.

On June 29, 2021, Council received and approved a staff report entitled:

- *“Applications for a Draft Plan of Subdivision and Zoning By-law Amendment by 1212763 Ontario Ltd. to facilitate approximately 371 ground-related dwelling units on Part of Lots 22 and 23, Concession 4, Berczy Glen Community (Ward 2) File No.: PLAN 19 142694”*

One of the report recommendations was to authorize a City-Wide Hard Development Charge Credit and/or Reimbursement not exceeding \$8,000,000 to the Trustee of Berczy Glen Landowners Group Inc. for the design, contract administration, and construction costs associated with the construction of the South Greenway Crossing.

Development Charges Background Study (2022)

Following the approval of the DC credits related to the two (2) Greenway Crossings in Berczy Glen, an updated Development Charges Background Study (“2022 DCBS”) was approved by Council on May 31, 2022. The costs associated with the two (2) Greenway Crossings were updated to reflect a more current estimate in the 2022 DCBS. The cost estimates comparison between the previous and the current DCBS for the two (2) Greenway Crossings in Berczy Glen are summarized in **Table 1**.

Infrastructure	Project Location	Cost in the 2017 DCBS	Cost in the 2022 DCBS
North Greenway Crossing	Berczy Creek Crossing (Street D/Stony Hill Boulevard)	8,000,000.00	\$12,020,000.00
South Greenway Crossing	Berczy Creek Crossing (Street C/Vine Cliff Boulevard)	8,000,000.00	\$12,900,000.00

Table 1 – Cost Estimate Comparison between the Previous and the Current DCBS related to the two (2) Greenway Crossings

As a result of the cost increase included in the 2022 DCBS, as well as their current construction estimates exceeding the cost in the 2017 DCBS, the Trustee of Berczy Glen Landowners Group Inc. are requesting a new/updated approval of the DC credits related to the two Greenway Crossings.

DISCUSSION:**Development Charge Credits and/or Reimbursements**

In accordance with the City's Development Charge Credit and Reimbursement Policy, the development charge credit and/or reimbursement for the works will be limited to the lesser of the cost included in the 2022 DCBS or the actual cost of the infrastructure.

The 2022 DCBS established the estimated cost for the North Greenway Crossing and the South Greenway Crossing to be \$12,020,000.00 and \$12,900,000.00, respectively. Based on the information provided by the landowners' engineer (SCS Consulting Group Ltd.), the total estimated cost to construct the North Greenway Crossing and the South Greenway Crossing are similar to the amounts captured in the 2022 DCBS.

The Trustee of the Berczy Landowners Group Inc. will be eligible for development charges reimbursement and/or credit to a maximum of the amounts identified in the 2022 DCBS, exclusive of HST, for the design, construction, and maintenance until Assumption, of the two (2) Greenway Crossings. It should be noted that the City does not give credit for, or reimburse HST costs, and no interest shall be payable on the credit/reimbursement.

Timing of Recommended DC Credits and/or Reimbursements

Once the Director of Engineering has confirmed that the DC eligible works have been completed, and the actual certified costs have been provided by the Trustee, the Engineering Department will review and sign off on the costs to ensure that they are reasonable. The DC credit and/or reimbursement to be provided will be the lesser of the actual cost and the indexed amount included in the 2022 Development Charges Background Study. The DC credits and/or reimbursements for the Greenway Crossings are to be issued to the Trustee of the Berczy Glen Landowners Group Inc., who will have entered into the agreement with the City to construct the works.

The City may enter into DC credit and reimbursement 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 Security

The City will require security for these works to cover the warranty period and the developers will comply with all of the City's standards for design and construction. The construction letter of credit will be held until the works are accepted by the City.

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 DCBS, in compliance with the Development Charge Credit and Reimbursement Policy.

The total credit and/or reimbursement of \$24,920,000 exclusive of HST for the 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, as well, no interest shall be payable on the credit and/or reimbursement. Development charge credits and/or reimbursements are based on the indexed cost included in the DC Background Study.

The Engineering Department has reviewed the scope of the works provided by the landowners to confirm that they are in alignment with the City's requirements. Consistent with the City's Development Charge Credit and Reimbursement Policy, the Trustee will be required to pay an administration fee for the Engineering, Legal and Finance Department's review, preparation and administration of their development charge credit and/or reimbursement. The fee is structured in the following manner:

- An application fee of \$1,802.00 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 \$12,012.00. For these applications, the fee plus HST is payable upon credit and/or reimbursement of the approved amounts.

Other legal fees may be applicable upon execution of respective agreements between the City and the Trustee, and other landowners in Berczy Glen Secondary Plan area.

HUMAN RESOURCES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

This is 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:

Mark Visser
Acting Treasurer

Frank Clarizio, P. Eng.
Director of Engineering

Trinela Cane
Commissioner, Corporate Services

Arvin Prasad, MCIP, RPP
Commissioner, Development
Services

ATTACHMENTS:

Attachment 'A': Location of the Two (2) Greenway Crossings