



Report to: Development Services Committee

Meeting Date: November 19, 2018

SUBJECT: Development Charge Reimbursement – Angus Glen Development (2003) Ltd.
PREPARED BY: Kevin Ross, Manager, Development Finance, ext. 2126
Alain Cachola, Senior Manager, Infrastructure and Capital Projects, ext. 2711

RECOMMENDATION:

- 1) That the report entitled “Development Charge Reimbursement – Angus Glen Development (2003) Ltd.” be received;
- 2) That Council authorize a City Wide Hard Development Charge reimbursement to Angus Glen Development (2003) Ltd. and/or any other contributing landowners, for the total amount of \$1,490,004 for the oversizing of a trunk sanitary sewer on lands located within the Angus Glen community, as set out in this report;
- 3) That the Mayor and Clerk be authorized to execute Development Charge Reimbursement Agreement(s) for the total amount of \$1,490,004, in accordance with the City’s Development Charge Credit and Reimbursement Policy, with Angus Glen Development (2003) Ltd. and/or any other contributing landowners, or their successors in title, to the satisfaction of the Treasurer and City Solicitor;
- 4) And that staff be directed to do all things necessary to give effect to this report.

EXECUTIVE SUMMARY:

Not applicable.

PURPOSE:

The purpose of this report is to obtain Council’s authorization, in accordance with the City’s Development Charge Credit and Reimbursement Policy, to grant a City Wide Hard Development Charge reimbursement for the total amount of \$1,490,004 to Angus Glen Development (2003) Ltd. (“Angus Glen”) and/or any other contributing landowners, or their successors in title. The reimbursement relates to the oversizing of a trunk sanitary sewer between Major Mackenzie Drive East and 16th Avenue consistent with a master servicing plan prepared in the mid-1990s for OPA 19.

Council’s authorization is required as the reimbursement request exceeds the Treasurer’s approval authority of \$500,000 or less.

BACKGROUND:

Angus Glen as a part of their development in the 1990's, were required to construct a sanitary sewer to service their lands to the south west of Major Mackenzie Drive East and Kennedy Road. City staff being cognizant of additional growth anticipated to the north of Major Mackenzie Drive East, did not object to Angus Glen's plan to oversize the sanitary sewer which would accommodate these future flows.

A master servicing plan (MSP) prepared by Cosburn Patterson Mather for Angus Glen in the mid-1990s, included a sanitary drainage plan that took into account the external drainage area north of Major Mackenzie Drive East. The City accepted the engineering design drawings for sanitary drainage in the Angus Glen community consistent with the MSP, which depicted an external drainage area to the north of the Angus Glen lands between Major Mackenzie Drive East and Elgin Mills Road, see Appendix A. The sanitary sewer approved to be built by Angus Glen was therefore oversized to accommodate flows for a design population of 27,700 persons in the external drainage area.

Angus Glen, in accordance with the MSP, constructed the oversized trunk sanitary sewer (Appendix B) as per the approved drawings. With the planning now underway for the Future Urban Area, the current design population for the same drainage area has now exceeded the original design population assumed in the MSP.

Sanitary Sewer Funding

The oversizing cost of the trunk sanitary sewer was mainly paid for by Angus Glen, with some contribution from the Berczy landowners, and they have not been reimbursed to-date for this additional expense. Angus Glen was the constructor and main financier of the project.

At the time of the sewer construction, Angus Glen anticipated that the oversizing cost would be paid for by the landowners within the external drainage area when they develop their lands and utilize the oversized capacity in the sanitary sewer. However, the current planned design population for the external drainage area has now increased from 27,700 persons to 34,144 persons as per the preliminary secondary plans submitted by the landowners, and this has rendered the oversized Angus Glen sanitary sewer inadequate to service the new population in the external drainage area.

Alternative Solution

With the proposed redevelopment of the York Downs golf course to the south of the Angus Glen community, there is now an opportunity for an alternative solution to service the lands in the Future Urban Area, including the Employment block north of Elgin Mills Road. This solution entails building a new sanitary sewer (sized adequately for the Future Urban Area) through a new alignment in the proposed York Downs development and divert the sanitary flow away from the existing downstream sewer (see Appendix C). This solution still requires certain sewers immediately to the south from Major Mackenzie Drive East to be replaced with a bigger sewer. With this solution, the oversized portion of the Angus Glen sanitary sewer will no longer be required.

The view of City staff is that Angus Glen and any other contributing landowners should be compensated for the oversizing cost incurred, and Staff recommends that this reimbursement be provided from the City Wide Hard Development Charge.

City Engineering staff have received and reviewed the cost related to the oversizing of the Angus Glen sanitary sewer, in accordance with the Council-approved Development Charge Credit and Reimbursement Policy, and have also verified the scope of the works to ensure compliance with the approved design. The amount being recommended by staff as a reimbursement, is based on actual amounts expended by Angus Glen on the dates the works were undertaken.

The City has entered into similar agreements with developers in the past and is empowered to enter into credit agreements by Section 38(1) of the *Development Charges Act, 1997, as amended*, 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 reimbursements have been used in a number of development applications to facilitate the construction of infrastructure in advance of the City’s capital program in order to not delay planned development.

OPTIONS/DISCUSSION:

In accordance with the Development Charges Credit and Reimbursement Policy, development charge credits and/or reimbursements will be limited to the lesser of the amount included in the Development Charges (DC) Background Study and the actual cost of the infrastructure. The 2017 DC Background Study included a general category from which this reimbursement will be funded. The actual cost of the works verified by the Engineering Department, following a series of reviews of source documentation submitted by Angus Glen is \$1,490,004. Based on the City’s policy, Angus Glen and any other contributing landowners are eligible for a total reimbursement of \$1,490,004, which is less than the amount included in the 2017 DC Background Study.

The works have been completed, the cost and scope verified by staff, and the recommendation is that Angus Glen and any the other contributing landowners be reimbursed a total of \$1,490,004 upon approval by Council and the execution of reimbursement agreement(s). The agreement may be with Angus only (they will distribute the appropriate amounts to the Berczy landowners), or it may be in the names of both Angus Glen and the Berczy landowners, or it may be in separate agreements with both parties. The City will receive indemnities from the respective landowners as a part of the agreement(s).

FINANCIAL CONSIDERATIONS:

There is no net financial impact to the City. Development charge reimbursement and credits are provided to a developer in exchange for the construction of works included in the City’s Development Charges Background Study, in compliance with the City’s Development Charge Credit and Reimbursement Policy.

The Engineering Department has reviewed the scope and documents for the actual cost of the trunk sanitary sewer constructed by Angus Glen and these are in alignment with the City’s expectations. The Finance Department has reviewed and confirmed the cost of the works included in the 2017 DC Background Study. Based on the City’s policy that DC reimbursement/credits are provided based on the lesser of the amount included in the DC

Background Study and the actual cost of the infrastructure, Finance and Engineering staff concur on the reimbursement recommended in this report.

The amount being recommended for City Wide Hard development charge reimbursement to Angus Glen and any other contributing landowners is a total of \$1,490,004 for the oversizing of the trunk sanitary sewer to accommodate additional capacity outside of their subdivision.

Consistent with the City's Development Charge Credit and Reimbursement Policy, Angus Glen and any other contributing landowners 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 reimbursement. The fee is structured in the following manner:

- An application fee of \$1,560 plus HST to review the development charge reimbursement request; plus
- A fee equivalent to 1.0% of the value of the reimbursement request to a maximum of \$10,400 which amounts to \$10,400 plus HST payable upon reimbursement of the approved amounts.

HUMAN RESOURCES CONSIDERATIONS:

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

This is consistent with the City's goal of efficient service delivery.

BUSINESS UNITS CONSULTED AND AFFECTED:

Finance, Engineering and Legal Services Departments.

RECOMMENDED BY:

X

Joel Lustig
Treasurer

X

Brian Lee
Director, Engineering

X

Trinela Cane
Commissioner, Corporate Services

X

Arvin Prasad
Commissioner, Development Services

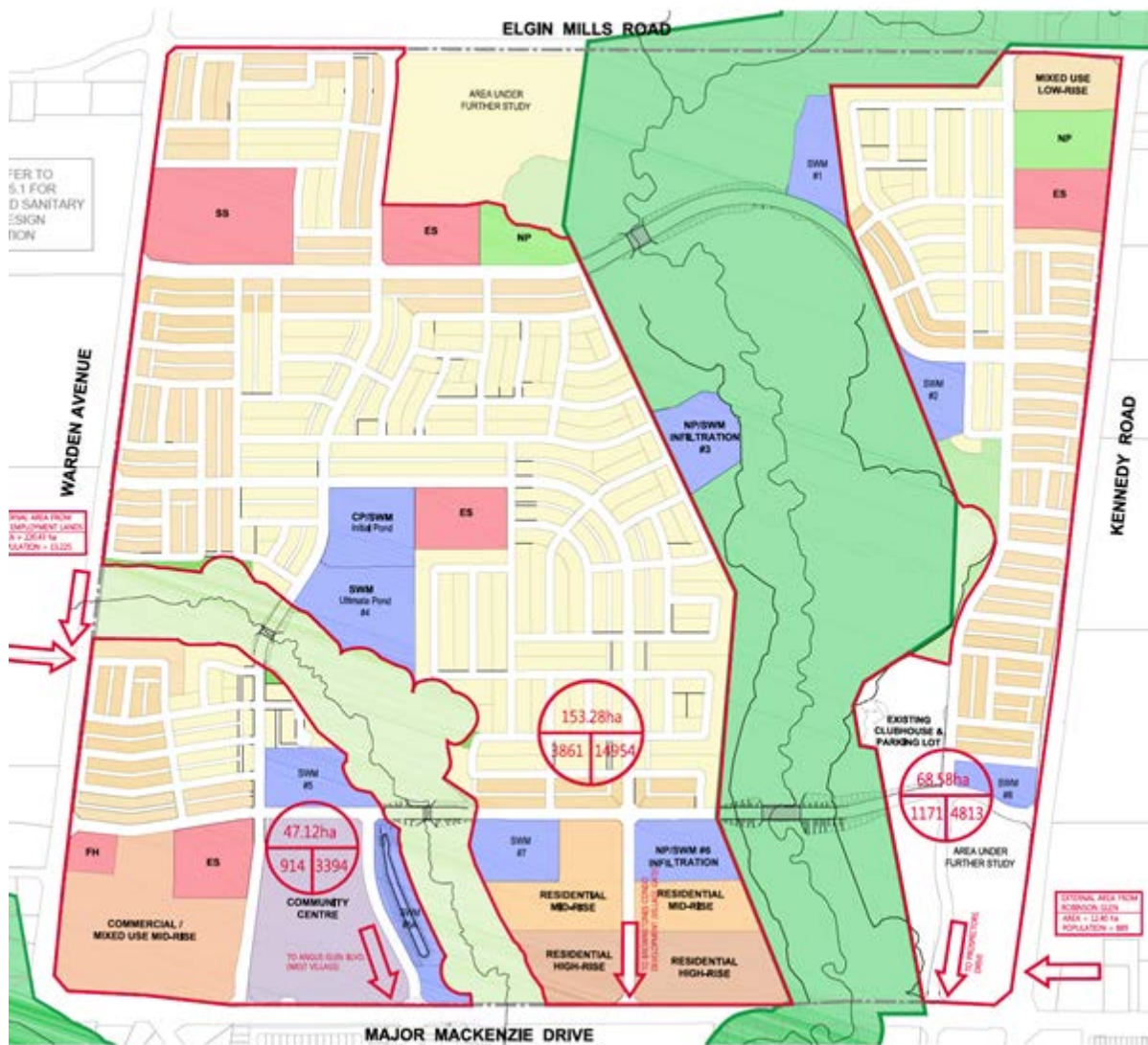
ATTACHMENTS:

Appendix A – External Sanitary Drainage Area

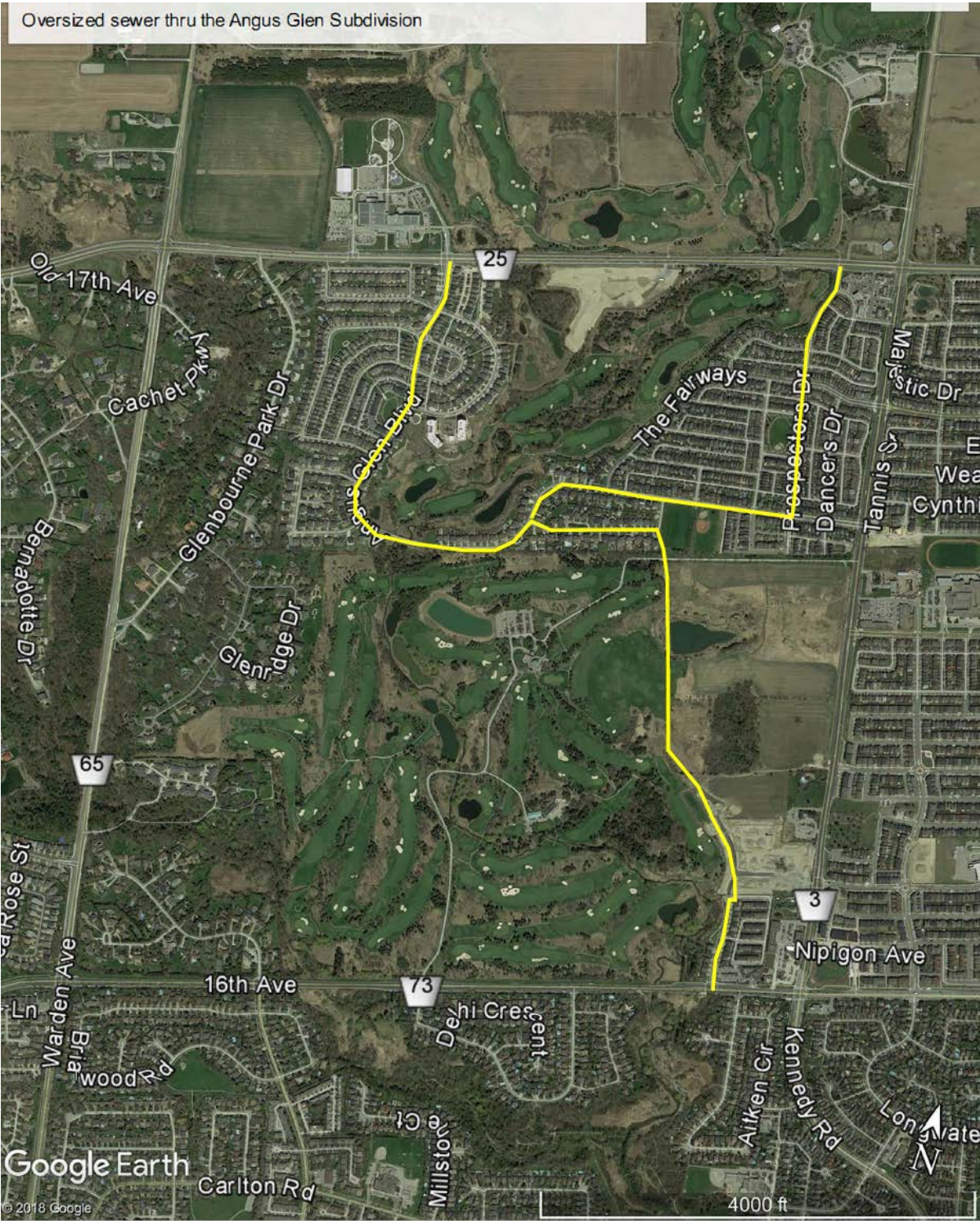
Appendix B – Oversized Sanitary Sewer

Appendix C – New Sanitary Sewer Location

Appendix A – External Sanitary Drainage Area



Appendix B – Oversized Sanitary Sewer



Appendix C - New Sanitary Sewer Location

