



Report to: Development Services Committee

Date Report: March 18, 2014

SUBJECT: Future Urban Area Landowners Funding Agreement

PREPARED BY: Brian Lee, Sr. Manager, Special Projects, Ext. 4838

RECOMMENDATION:

- 1) **THAT** the staff report entitled "Future Urban Area Landowners Funding Agreement" be received;
- 2) **AND THAT** Council approve the Future Urban Area (FUA) Funding Agreement principles as outlined in this report;
- 3) **AND THAT** Council approve in principle the financial contribution schedule outlined in this report with the funding contribution to be finalized to the satisfaction of the Chief Administrative Officer, Commissioner of Development Services, and Commissioner of Corporate Services;
- 4) **AND THAT** staff be directed to finalize the Funding Agreement with the participating landowners' representatives of the FUA in north Markham, in accordance with the Funding Agreement principles and the financial contribution schedule to the satisfaction of the Chief Administrative Officer, Commissioner of Development Services, Commissioner of Corporate Services and the City Solicitor;
- 5) **AND THAT** Council authorize the Mayor and Clerk to execute a Landowners Funding Agreement and any subsequent amendments, for the funding of the master planning of the FUA in north Markham, with the participating landowners, in a form satisfactory to the Chief Administrative Officer, Commissioner of Development Services, Commissioner of Corporate Services, and the City Solicitor;
- 6) **AND THAT** Council approve in principle the enactment of an Area Specific Development charge bylaw for the FUA in north Markham at the appropriate time, so that participating landowners can recover an equitable share of their upfronted costs from the other non-participating landowners through the applicable Area Specific development charges by-law, in accordance with the *Development Charges Act, 1997, S.O. 1997, c.27*, and City's Development Charge Credit and Reimbursement Policy;
- 7) **AND THAT** a maximum 45% of the actual cost of the Phase 1 Subwatershed Studies (Characterisation), at approximately \$382,500.00, be funded from the City Wide Hard development charge reserve as outlined in this report, and staff be granted authority to reimburse these costs through the 2016 Capital Budget, subject to the completion of the subwatershed studies to the satisfaction of City staff, and the landowners' conformance to the Future Urban Area Funding Agreement;
- 8) **AND THAT** staff include the \$382,500 City Wide Hard development charge reimbursement in the 2016 Capital Budget;
- 9) **AND THAT** the FUA Subwatershed Studies awarded to AMEC Environmental & Infrastructure be increased from \$2,016,165.00 to an upset limit of \$2,367,280.73 (including 10% contingency and HST impact, an increase of \$351,115.73) subject to execution of the Funding Agreement;

- 10) **AND THAT** the Water Servicing Study awarded to WSP Canada Inc. (formerly Genivar Consultants) be increased from \$96,419.43 to \$114,059.43 (including 10% contingency and HST impact, an increase of \$17,640.00) subject to execution of the Funding Agreement;
- 11) **AND THAT** the Wastewater Servicing Study awarded to XCG Consultants Ltd. be increased from \$134,538.12 to \$293,458.13 (including 10% contingency and HST impact, an increase of \$158,920.01) subject to execution of the Funding Agreement;
- 12) **AND THAT** the Environmental Assessment Coordination Study award to Amos Environmental + Planning be increased from \$94,423.61 to \$109,294.31 (including 10% contingency and HST impact, an increase of \$14,870.70) subject to execution of the Funding Agreement;
- 13) **AND THAT** two new 2014 Capital Projects be created, with the final amounts subject to the finalization of the Future Urban Area Funding Agreement;
 - a. FUA City Dedicated Staff Recovery – in the amount of \$2,184,767.00 to be funded from FUA Landowners Funding Agreement
 - b. FUA TRCA Staff Recovery – in the amount of \$808,500.00 to be funded from the FUA Landowners Funding Agreement
- 14) **AND THAT** the Capital budget account for recommendations 9), 10), 11), and 12) be updated to reflect revised costs and funding sources as detailed in this report;
- 15) **AND THAT** Council authorize the Mayor and Clerk to execute a DC Credit/Reimbursement Agreement(s) with the participating landowners for the reimbursement of the City Wide Hard and Area Specific development charges as outlined in this report;
- 16) **AND THAT** the development phasing strategy for the FUA allow each participating landowners group (per concession block) to proceed with development in the first phase, with the program for phasing within each concession block to be confirmed, to the satisfaction of Council, in Phasing Plans, Secondary Plans and conditions of approval;
- 17) **AND THAT** York Region be requested to interpret or modify its Official Plan to be consistent with Recommendation 16 as required;
- 18) **AND THAT** staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to request Council to:

- a) Approve the Funding Agreement principles as outlined in this staff report, and to authorize the Mayor and Clerk to execute such Funding Agreement in order for the participating landowners to pay for the conceptual master planning process of the FUA in north Markham, and associated City of Markham and Toronto & Region Conservation Authority staff resources,
- b) Approve in principle the financial contribution schedule in Attachment 'B' with the finalized schedule to be included in the Funding Agreement,

- c) Approve the use of a future Area Specific Development Charges by-law to ensure all landowners contribute equitably to the development of the FUA. This will allow participating landowners to recover the non-participating owners' share of the upfronted costs when the non-participating landowners develop at a later time;
- d) Authorize the Mayor and Clerk to execute the Future Urban Area Funding Agreement and a DC Credit/Reimbursement Agreement for the reimbursement of the City Wide Hard and Area Specific development charges;
- e) Approve revised project budgets of certain component studies of the FUA master planning process, and waive the tender process; and
- f) Approve a development strategy that would allow each participating landowner's group (per concession block) to proceed with development in the first phase, with the program for phasing within each concession block to be confirmed, to the satisfaction of Council, in the Phasing Plans, Secondary Plan and Conditions of Approval. This principle should be reflected by modification to the new City of Markham Official Plan.

BACKGROUND:

On October 8, 2013, Council approved two reports related to the award of component studies of the FUA master planning process (subwatershed studies, water servicing study, wastewater servicing study, and environmental assessment (EA) coordination study). In those reports, it was recommended that staff report back on the FUA landowners funding agreement. The October reports also indicated that the purpose of the funding agreement is to "deal with front-ending of the cost of the related consultant studies and municipal staffing costs to expedite the FUA work program".

Subsequent to the October reports, staff have also coordinated the involvement of the Toronto & Region Conservation Authority (TRCA) in the master planning process. Through discussions with TRCA staff and the landowners, it was also agreed that the Funding Agreement will include a contribution to the TRCA staffing costs to expedite the FUA planning process. This financial contribution will offset the future TRCA review process fees for the subwatershed studies, servicing studies and the transportation study. Details of this TRCA contribution are described later in this staff report.

The terms of reference of the subwatershed studies, water servicing study, wastewater servicing study, and environmental assessment coordination study were not finalized when staff reported to Council in October 2013. Further refinements to the study scopes were subsequently made in consultation with the landowners, approval authorities (TRCA and Ministry of Natural Resources), York Region staff and City staff of various departments. These study scopes have now been finalized and revised project budgets will be incorporated into the Funding Agreement.

A request for proposal for the transportation study in accordance with the City's Purchasing By-law has taken place and was sent out in December 2013. Proposals were received at the end of January and after evaluation of the proposals by an evaluation team of City and Regional staff. A decision has been made to award the transportation study to Delcan Corporation at a study budget of \$307,824.00 (including 10% contingency and HST impact). The study budget is within the financial authority of the Chief Administrative Officer and the award of the project is being made through a Staff Award Report. Council's approval is not required.

A tender process was undertaken for retaining a planning consultant to develop a Conceptual Master Plan (CMP) for the FUA was carried out. After evaluation by City Planning staff, the consultant assignment was awarded to The Planning Partnership Limited. The project budget is \$306,842.66 (including 10% contingency and 1.76% HST impact.) The study budget is within the financial authority of the Chief Administrative Officer, and the project has been awarded through a Staff Award Report.

OPTIONS/ DISCUSSION:

Funding Agreement Principles

The following major agreement principles have been negotiated between staff with the participating landowners, and formed the bases of the recommended Funding Agreement:

1. There will be one Funding Agreement between the participating landowners and the City
2. The landowners will retain a Trustee to act on their behalf
3. The City will work through the Trustee on financial matters
4. The landowners agree to upfront the costs for studies to be listed in the Funding Agreement, dedicated Markham staff and TRCA staff
5. The City agrees that a portion of the Subwatershed Studies is eligible to be funded from the City Wide Hard development charges (45% of the Subwatershed Phase 1 – Characterization, which is approximately \$382,500) in 2016
6. City staff agree to recommend to Council the inclusion of the study costs, TRCA review and processing fees and City staff costs associated with the master planning process into a future Area Specific Development Charges Bylaw for the Future Urban Area as the mechanism to recover costs from the other non-participating landowners who did not contribute financially as part of the Funding Agreement and to reimburse or provide credit to the participating landowners
7. Payment for the Subwatershed Studies will be phased according to the phases in the Subwatershed Studies
8. The landowners acknowledge that other studies (Subwatershed Studies Phases 2 & 3, Water Servicing, Wastewater Servicing, Transportation and Environmental Assessment Coordination) are not eligible for City Wide development charge (DC) credits
9. The study costs payment timing and payment amount will be according to a fixed schedule
10. All DC Credit and/or Reimbursement will comply with City's DC Credit and Reimbursement Policy
11. Any major changes to the scope of the studies to be funded through the Funding Agreement will require the concurrence of the participating landowners
12. The City will not refund any surplus dedicated staff funding after the completion of the master planning process
13. The Funding Agreement is based on the understanding that the City supports a phasing strategy that would allow each participating landowners' group to proceed with development in the first phase, as discussed on page 6 of this report.
14. Right of entry to lands.

Use of Area Specific Development Charges to Ensure Equitable Financial Contribution to Developing the FUA

An Area Specific Development Charges (ASDC) by-law enacted under the *Development Charges Act, 1997, S.O. 1997, c.27* is the appropriate legislated mechanism to allow for the equitable sharing of development costs by landowners within a benefitting area. The participating landowners requested the use of the ASDC mechanism, and staff agreed to recommend this approach to Council for approval. Council is requested to approve this approach and to direct Staff to prepare the necessary by-law at the appropriate time.

Total Budget for Studies & Plans

Study budgets have been received for all the studies where the terms of reference have been finalized. The total expenditure and budgets of the various studies is approximately \$3.7 million (including 10% contingency and 1.76% HST impact.) A detailed summary of the various study budgets and consultant names are summarized in Attachment 'A'.

Budget for City Staff Commitment

The landowners have agreed to fund the costs of the dedicated City staff resources for the master planning process. The estimated amount is based on the staff complement of:

- 1.5 planning staff FTE (1.0 Senior Planner, 0.5 Senior Urban Designer)
- 2.5 engineering staff FTE (0.5 Manager, 0.5 Senior Engineer, 1.0 Senior Environmental Engineer, and 0.5 Senior Transportation Engineer)
- 1.0 administrative assistant FTE

The total estimated cost for dedicated staff resources for 3 years (2014, 2015 and 2016) adjusting for 2% inflation as well as benefits and indirect costs for each year is \$713,883.00 (2014), \$728,160.00 (2015), and \$742,724.00 (2016) for a total of approximately \$2.18 million. A new 2014 capital project will be created.

Budget for TRCA Staff Commitment

The TRCA also requested funding in a letter to the City dated October 8, 2013. The total amount came to \$808,500.00 for the review of the subwatershed studies, master environmental and servicing plan (MESP), and the component studies (water servicing, wastewater servicing and transportation). A further clarification letter will be forthcoming to clarify that the TRCA funding is not in addition to the normal review and permitting fees for development applications. A new 2014 capital project will be created. The TRCA's letter is in Attachment 'C'.

Financial Payment Schedule

The participating landowners agreed to advance the cost to the City for the studies, Markham staff and TRCA staff according to the timelines set out in Attachment 'B'. The future payment deadlines and the approximate amount are:

- upon execution of the Funding Agreement - April 2014 (approx. \$2.2 million)
- August 1, 2014 (approx. \$1.7 million)

- January 1, 2015 (approx. \$0.9 million)
- August 1, 2015 (approx. \$1.0 million)

Three cash advances (total \$813,020.25) have been already made in order to continue with the critical studies. The total amount for the studies, City and TRCA staff commitment will be approximately \$6.7 million inclusive of the 10% contingency and 1.76% HST impact applied to the study costs only. For more details, see Attachment 'B'.

Proposed Development Phasing

A fundamental principle of the Funding Agreement is that the City supports a phasing strategy that would allow each participating landowners' group (per concession block) to proceed with development in the first phase. Each of the four (4) concession blocks within the FUA would be permitted to have a portion of their lands proceed in Phase 1, with the program for phasing within each concession block to be confirmed to the satisfaction of Council in Phasing Plans, Secondary Plans and Conditions of Approval. The conceptual master plan to be prepared by the City will also address the parameters for development phasing. Staff recommends that Council support this principle, and direct staff to modify the phasing policies of the new Official Plan as required to reflect this principle, and to request that York Region also modify its Official Plan phasing policies if required. The proposed revised phasing policies for the new Official Plan will be addressed in a separate report outlining proposed modifications to the new Official Plan to be considered by Development Services Committee on in the near future.

York Region Official Plan Amendment 3 (ROPA 3) OMB Appeal

The planning for the Future Urban Area is being initiated on the basis of the FUA boundary identified in ROPA 3 and the new City of Markham Official Plan. ROPA 3 is still under appeal at the OMB and timing of the next phase of the hearing and the conclusion of the hearing are unknown at this time. Terms of reference for the studies and the details of the Funding Agreement may have to be amended if the ROPA 3 boundary is altered through an OMB decision. The Funding Agreement has provisions to allow amendments to the study terms of reference when agreed by parties to the agreement, and to include new participating landowners.

FINANCIAL CONSIDERATIONS AND TEMPLATE: (external link)

The landowners' advancement of the costs for the various studies as well as City staff and TRCA staff costs is financially beneficial to the City. If such advancement is not provided for, the City would be required to fund these financial obligations prior to receipt of development charge revenues from a future area specific development charges by-law. The landowners funding facilitates the timely preparation of the studies and has a positive impact on the City's cashflow.

The Future Urban Area Funding Agreement will include the terms and conditions for the usage and reimbursement of the funds received from the participating landowners.

The budgets set in October 2013 were based on preliminary scope of work prior to full consultation with stakeholders. Since that time, revisions have been made to the scope of works based on additional comments from internal City departments, participating landowners, and

external approval authorities. The final terms of reference reflect an increase in the scope of work and therefore, the purchase orders have increased as follows:

1. FUA Subwatershed Studies by AMEC Environmental & Infrastructure increased from \$2,016,165.00 to an upset limit of \$2,367,280.73 (including 10% contingency and HST impact, an increase of \$351,115.73);
2. Water Servicing Study by WSP Canada Inc. (formerly Genivar Consultants) increased from \$96,419.43 to \$114,059.43 (including 10% contingency and HST impact, an increase of \$17,640.00);
3. Wastewater Servicing Study by XCG Consultants Ltd. increased from \$134,538.12 to \$293,458.13 (including 10% contingency and HST impact, an increase of \$158,920.01);
4. Environmental Assessment Coordination Study by Amos Environmental + Planning increased from \$94,423.61 to \$109,294.31 (including 10% contingency and HST impact, an increase of \$14,870.70);

The landowners, through the Future Urban Area Funding Agreement, will provide the funding for these projects.

The following budget adjustments will be required to reflect the above changes.

Project Number	Project Name	Original Budget	Revised Budget	Change Incr./ (Decr.)
13874	Future Urban Area Subwatershed Studies	\$ 2,077,221	\$ 2,428,337	\$ 351,116
13875	Future Urban Area Water Servicing Study	\$ 96,419	\$ 114,059	\$ 17,640
13876	Future Urban Area Wastewater Servicing Study	\$ 134,538	\$ 293,458	\$ 158,920
13877	Future Urban Area EA Coordination Study	\$ 94,424	\$ 109,294	\$ 14,870

ALIGNMENT WITH STRATEGIC PRIORITIES:

The implementation of the recommendations provided in this report is the vehicle to advance the development of the FUA. The FUA is consistent with the principles of Council's Growth Management Strategy, the newly adopted Official Plan and the Region's Official Plan Amendment 3 for the expansion of the FUA. The City's environmental goal and focus which is to protect enhance and restore Markham's natural features and green spaces are achieved through land use planning supported by the subwatershed studies and environmental assessment coordination of the various studies.

BUSINESS UNITS CONSULTED AND AFFECTED:

The TRCA funding portion of the report was discussed with TRCA, and the complete report was circulated internally to the Legal, Finance, and Planning Departments and their comments have been incorporated into this report.

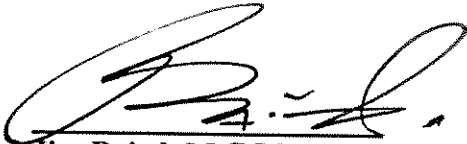
RECOMMENDED BY:



Alan Brown, C.E.T
Director of Engineering



Rino Mostacci, M.C.I.P, R.P.P
Director of Planning & Urban Design



Jim Baird, M.C.I.P, R.P.P
Commissioner, Development Services

ATTACHMENTS:

- Attachment 'A': Summary of Study Budgets
- Attachment 'B': Financial Contribution Schedule (Actual figures to be finalized)
- Attachment 'C': TRCA Letter dated October 8, 2013

Summary of Study Budget

Name of Study	Name of Consultant	Study Budget*	Status/Comments
Conceptual Master Plan	Planning Partnership Limited	\$306,842.66	Budget finalized
EA Coordination	Amos Environment + Planning	\$109,294.31	Budget finalized
Subwatershed Studies TOR Preparation	AMEC Environment & Infrastructure	\$108,577.92	Project Completed
Subwatershed Studies TOR Advice	North-South Environmental Inc.	\$1,488.75	Project Completed
Subwatershed Studies	AMEC Environment & Infrastructure	\$2,367,280.73	TOR finalized Budget to be finalized
Terrestrial Advisor	North-South Environmental Inc.	\$68,343.64	Budget finalized
Transportation Study TOR Preparation	Gladki Planning Associates	\$5,574.41	Project Completed
Water Servicing Study	WSP Canada Inc.	\$114,059.43	Budget finalized
Wastewater Servicing Study	XCG Consultants Ltd.	\$293,458.13	Budget finalized
Transportation Study	Delcan Corporation	\$307,824.00	Budget finalized
TOTAL		\$3,682,743.98	

* Includes 10% contingency and 1.76% HST Impact

Financial Contribution Schedule
(Amount to be Finalized)

Future Urban Area - Financial Contribution Schedule

(Revised March 5, 2014)

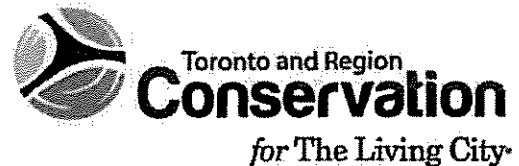
Studies/Funding Components	Money Collected		Money to be Collected					Sub-total (see Note 1)
	Cash Call #1 (Sept 16, 2013)	Cash Call #2 (Dec 4, 2013)	Cash Call #3 (Feb 2014)	Upon Execution of Agreement (Approx. April 2014)	1-Aug-2014	1-Jan-2015	1-Aug-2015	
SWS TOR	\$ 60,000.00			\$ 48,577.92				\$ 108,577.92
Terrestrial Advisor TOR - N/S				\$ 1,488.75				\$ 1,488.75
SWS	\$ 73,267.00	\$ 72,320.00	\$ 466,325.00	\$ 122,014.00	\$ 662,194.80	\$ 671,159.93		\$ 2,367,280.73
Terrestrial Advisor SWS - N/S				\$ 68,343.64				\$ 68,343.64
Conceptual Master Plan (CMP)				\$ 306,842.66				\$ 306,842.66
Transportation Study TOR				\$ 5,574.41				\$ 5,574.41
Transportation Study				\$ 307,623.13				\$ 307,623.13
Water-WSP		\$ 18,646.00	\$ 6,000.00	\$ 24,137.13				\$ 114,059.43
Wastewater-XCG		\$ 18,646.00	\$ 27,676.00					\$ 293,458.13
EA Coordination-AMOS	\$ 70,141.25			\$ 39,153.06				\$ 109,294.31
Sub-total								\$ 3,682,743.98
Markham Staffing (see Note 2)				\$ 713,883.00	\$ 728,160.00		\$ 742,724.00	\$ 2,184,767.00
TRCA (letter dated Oct 8, 2013)				\$ 269,500.00		\$ 269,500.00	\$ 269,500.00	\$ 808,500.00
	\$ 203,408.25	\$ 109,612.00	\$ 500,000.00	\$ 2,219,752.00	\$ 1,690,354.80	\$ 940,659.93	\$ 1,012,224.00	\$ 6,676,010.98

Note 1: All budget items include 10% contingency and 1.76% HST Impact

Note 2: Markham Staffing Apr 2014 amount will cover staff salary from Jan 2014 to Dec 2014

Aug 2014 amount will cover staff salary from Jan 2015 to Dec 2015

Aug 2015 amount will cover staff salary from Jan 2016 to Dec 2016



CFN

October 8, 2013

By mail and e-mail

Brian Lee
Senior Manager, Development Engineering & Transportation Engineering
City of Markham
Anthony Roman Centre, 101 Town Centre Boulevard
Markham, ON, L3R 9W3

Dear Mr. Lee:

**Re: TRCA Participation and Review Fees
Markham Future Urban Area (FUA) - Subwatershed Study, Master Environmental
Servicing Plans and Associated Master Plans**

Further to our recent discussions, this letter outlines the fees associated with the participation of TRCA staff in the FUA subwatershed study process, as well as associated studies. TRCA staff are very pleased to participate in the north Markham subwatershed planning process. From the recent meetings and the correspondence provided by City staff, we understand that the subwatershed study (SWS) process for the FUA will be completed in concert with servicing and transportation studies and a conceptual land use planning master plan. It is our understanding that this is to be a three year process, which will culminate in the creation of four new secondary plans for the FUA, which will be produced by the landowner groups. As a prerequisite to the submission of the secondary plans, the landowners will be submitting master environmental servicing plans (MESPs). These will be produced in parallel to, and in concert with the FUA study process. We also understand that this will be an integrated and iterative process, in which the results of each component study will feed into, and inform the others. TRCA staff are very supportive of this approach.

As you are aware, the TRCA has extensive experience in watershed and subwatershed planning. The TRCA has historically been the lead agency in producing these reports for the municipalities and watersheds within our jurisdiction. This is significant, as the FUA is within the area studied as part of the Rouge River Watershed Plan, which was produced by the TRCA in 2008. Through this, an extensive amount of information is available, along with the expertise of TRCA staff in both watershed planning, and with respect to the Rouge River watershed. TRCA staff are pleased to bring this expertise and knowledge to the table to support this collaborate SWS process.

As you are also aware, TRCA's Planning and Development section operates on a cost recovery basis. Where special funding has not been provided to the TRCA through capital budgets to

participate in such studies, TRCA's participation in SWS or similar studies is typically paid by the municipality, or by the funding landowner group as part of their project budget. The TRCA's Administrative Fee Schedule for Planning Services also prescribes a fee for TRCA staff's review of MESP's. This fee schedule has been produced in consultation with BILD, and is intended to provide for substantial cost recovery of staff costs and associated review and processing costs. MESP review fees are paid by the proponent (generally the developer(s)) of the area being studied, and are most often paid in the installments provided for in the Fee Schedule. This MESP process reflects current trends in providing more information up front to streamline the processing of the development proposals that follow. Accordingly, where a (current) MESP fee has been paid to the TRCA, subsequent more detailed applications, such as plans of subdivision, are exempt from TRCA's per unit review fees, and further processing fee economies can be provided where multiple planning applications are submitted concurrently.

TRCA's experience has shown that multi-year MESP and SWS processes involve extensive TRCA involvement throughout the process. TRCA staff will be a key partner in guiding the production of the SWS as well as in the review of the document, and a supporting partner in the generation of the Conceptual Master Plan, and implementation of the servicing studies through our environmental assessment review.

TRCA Review Fees

MESP Review

The fee for TRCA's participation and review in the SWS, Conceptual Master Plan, and the associated MESP's is partially informed by TRCA's standard MESP review fees, as outlined in our current Administrative Fee Schedule. In accordance with the fee schedule, MESP's of this nature are subject to an application fee of \$14,280, and a fee of \$450 per gross hectare of land within the study area. The FUA has a gross area of 1300 hectares. Based upon the above, an MESP fee of \$600,000 would apply, based upon a two-year process, and the submission of one consolidated MESP. As the current schedule for the FUA studies is 3 years, and it is likely that four MESP's will be submitted, in support of the four future secondary plans, these additional staffing costs must also be factored into our fees. Please note that our fees are based on a coordinated review approach for the comprehensive MESP process. Should these become separate processes, a renegotiated fee may be required to address the additional work associated with non-integrated MESP processes, products or outcomes. This would occur at the time of MESP Terms of Reference approvals when the final scoping of work program will be determined.

SWS Review

The requisite fees for TRCA's participation in subwatershed studies are determined based upon the role of the TRCA, and the nature of the process, with consideration for the cost of TRCA staff's involvement in the process. Like the MESP process, the TRCA draws upon the expertise of a number of different disciplines within the TRCA to provide input into the production, and in the review of a subwatershed study. For this subwatershed study, staff members from TRCA's Planning and Development, Water Resource Engineering, Geotechnical Engineering, Hydrogeology, Planning Ecology, Aquatic Ecology, Research and Development, Restoration Services and Watershed Management groups will be engaged in the process. The SWS is an integral component of the FUA study process, and is closely linked to the production of the MESP's. As the SWS boundaries inherently must go beyond those of the FUA, and as there are additional TRCA staff that must be involved in the SWS process, beyond those that would typically be involved in the MESP process, there are additional costs for participation that go beyond traditional MESP review. Given that many of the same TRCA staff will be involved in providing input into, and in the review of the SWS, there are economies that can be realized.

Additionally, TRCA is very fortunate to be able to largely draw upon our existing staff resources, such that we will not have to hire additional staff specifically for this project, which provides significant further economies. While the cost for our involvement in a stand-alone SWS would be much greater, TRCA staff anticipate that we can keep the additional costs for our involvement in the SWS process to an additional \$150,000 beyond the above noted MESP fees. This would also provide for our involvement in the Conceptual Master Plan process. Additional fees, as identified below, would apply to the servicing studies.

Servicing Studies (Transportation, Water and Waste Water Master Plans)

Through TRCA's Environmental Assessment Planning group, TRCA staff review infrastructure projects for our partner municipalities, and public and private utilities. The TRCA is a review and commenting agency relating to the Environmental Assessment Act. The Transportation, Water and Waste Water studies proposed as components of the FUA planning process are all studies that the TRCA reviews to ensure consistency with TRCA's policy and permitting requirements. TRCA's Administrative Fee Schedule provides the basis for TRCA's standard fees associated with our participation and review of these studies. While the stand-alone fees would typically be higher for studies of this nature, given the efficiencies derived from TRCA's involvement in the other component studies, TRCA staff are prepared, based upon our current understanding of the proposed servicing studies, to move forward at this time with a Standard Master Plan fee of \$19,500 per study (total of \$58,500).

Payment Milestones

For ease of administration, TRCA staff request that the TRCA fees be collected by the City of Markham, in concert with the City's fees for participation in the studies. TRCA staff would be prepared to accept full payment of the fees at this time, or payments based upon the following milestones:

MESP and SWS Components

As identified above, TRCA fees totaling \$750,000 will be required to fund TRCA's participation in the three year process. Milestone payments may be based upon the following:

- \$150,000 due at SWS study initiation – required to provide for the commitment of TRCA staff time, and participation in the early phases of this project.
- \$300,000 (50% of the MESP fee) due at the finalization of the (first) MESP terms of reference.
- \$120,000 (20% of the MESP fee) due prior to the provision of TRCA comments on Phase 1 of the (first) MESP.
- Final \$180,000 (30% of the MESP fee) due prior to TRCA's sign-off on the (first) MESP.

Total = \$750,000

TRCA staff reserve the right to re-assess fees, should: this study process not be completed within the anticipated 3 year period; should additional components be added to the process, should greater than three submissions of any component be required; should the fractured land ownership within the study area complicate the submission or review of the documents; or, should the land ownership lead to the submission of multiple documents, or non-concurrent reviews.

Servicing Studies

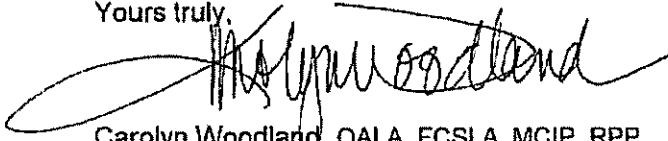
Total fees \$19,500 per study (\$58,500 total) will be due at the initiation of the studies. TRCA staff reserve the right to re-assess these fees, should any of the above noted situations be experienced with respect to these studies.

Future Planning Act, Environmental Assessment Act and TRCA Permit Application Processing Fees

Subsequent to the completion of the FUA component studies and MESP, standard TRCA review fees, as detailed in our Administrative Fee Schedule in effect at that time shall apply. This will include the secondary plans, all subsequent development applications, and project-specific environmental assessments.

Should you have any questions regarding the above, please do not hesitate to contact me, or Quentin Hanchard, Senior Manager, at ext. 5324.

Yours truly,

A handwritten signature in black ink, appearing to read 'Carolyn Woodland', with a large, sweeping loop at the end.

Carolyn Woodland, OALA, FCSLA, MCIP, RPP
Director, Planning and Development

[Encl.]

cc: By email
Jim Baird, City of Markham
Quentin Hanchard, TRCA
David Burnett, TRCA

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