
TO: GENERAL COMMITTEE

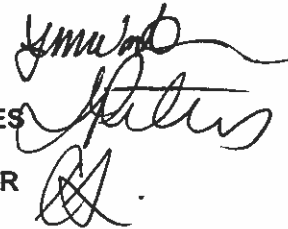
SUBJECT: ANNEXED LANDS AGREEMENTS

WARD: ALL

PREPARED BY AND KEY CONTACT: J. WESTON, DIRECTOR OF ENGINEERING EXTENSION #4551

SUBMITTED BY: I. PETERS, DIRECTOR OF LEGAL SERVICES

CHIEF ADMINISTRATIVE OFFICER APPROVAL: C. LADD, CHIEF ADMINISTRATIVE OFFICER



RECOMMENDED MOTION

1. That the Chief Administrative Officer receive delegated authority to negotiate and finalize a Hewitt's Sanitary Trunk North of Mapleview Developer Delivery Agreement in form satisfactory to the Director of Legal Services wherein the Annexed Lands owners groups and the City agree to the details of the land owners commitments to design and construct this Development Charges project in accordance with the terms of the Memorandum of Understanding (MOU).
2. That the Mayor and City Clerk be authorized to execute a Hewitt's Sanitary Trunk North of Mapleview Developer Delivery Agreement with the Annexed Lands owners groups.
3. That the Chief Administrative Officer receive delegated authority to negotiate and finalize a Master Parkland Agreement in form satisfactory to the Director of Legal Services wherein the Annexed Lands owners groups and the City agree to the details of the parkland to be dedicated to the City in accordance with the Salem and Hewitt's Secondary Plans.
4. That the Mayor and City Clerk be authorized to execute a Master Parkland Agreement with the Annexed Lands owners groups.

PURPOSE & BACKGROUND

5. The purpose of this report is to seek Council's delegation to the Chief Administrative Officer of authority to approve a Hewitt's Sanitary Trunk North of Mapleview Developer Delivery Agreement and a Master Parkland Agreement with the Annexed Lands owners groups. This includes the major landowners in the Hewitt's Secondary Plan and Salem Secondary Plan Areas.
6. On May 21, 2014, Council approved the recommendations in Staff Report IGM003-14. Approval of these recommendations advanced three key elements of the City's growth management program including the terms of a Memorandum of Understanding (MOU) with landowners in the Annexed Lands, the approval of an Infrastructure Implementation Plan and the adoption of the Salem and Hewitt's Secondary Plans.
7. On June 17, 2014, the City and the Salem and Hewitt's landowners signed the MOU. The MOU provides the framework for implementing the vision identified in the Secondary Plans and addresses a wide range of associated financial, development and infrastructure matters.

8. The MOU references four new growth financing tools that had been approved by Council in December 2013. One of the tools is the front ending of the costs of completing comprehensive environmental assessments and designs for certain projects identified in the Infrastructure Implementation Plan and benefitting the Annexed Lands. In return, the landowners were to be reimbursed through development charge credits. In July 2015, the City and Trustees for the Salem and Hewitt's landowners groups signed a EA Process and Engineering Design Funding and Development Charge Credit Agreement
9. The MOU also provides that the landowners shall be entitled, at their option, to design and construct certain DC-eligible roads, water and wastewater infrastructure where listed as potential for developer construction in the Infrastructure Implementation Plan (IIP). One of these projects is the Hewitt's Sanitary Trunk North of Mapleview project.
10. The landowners have identified that they would like to exercise their option to deliver the Hewitt's Sanitary Trunk North of Mapleview project, which will allow servicing of parts of the Hewitt's Secondary Plan area south of Mapleview between Yonge Street and the Phase 1 boundary. A legal agreement is required between the Landowners and the City with the terms and conditions by which the Landowners will deliver this DC project.
11. The landowners have also identified that they would like to exercise their option to deliver the other possible developer delivery projects listed in the MOU/IIP, however these will be subject to separate, future agreements.
12. The Salem and Hewitt's Secondary Plans indicate that the City may enter into a Master Parkland Agreement with the landowners to ensure orderly and timely conveyance of parkland and provide for cooperation among the landowners within the plan with respect to parkland conveyance and cash-in-lieu of parkland payments.

ANALYSIS

Hewitt's Sanitary Trunk North of Mapleview Developer Delivery Agreement

13. The MOU sets out some of the terms and conditions by which the landowners will be reimbursed if they choose to exercise their option to deliver DC-eligible projects:
 - a) City will reimburse the landowners for the cost of the project through DC credits
 - b) Landowners will be entitled to reduce the amount of DC Advance Funding they are required to pay up to the cost of the project
 - c) City will pay for the "benefit to existing" component of the project at the time of construction
14. Terms of the agreement are expected to include the following:
 - a) Landowners will retain a Consulting Engineer with a project team and scope of work acceptable to City for design, construction administration and inspection services
 - b) The design will be completed in accordance with all City requirements and design drawings will be sealed by a licensed professional engineer
 - c) Landowners will obtain all necessary approvals from the applicable authorities and sign-off from the City prior to tender
 - d) Landowners will undertake a fair and transparent tender process that will be monitored by the City
 - e) Landowners will obtain City approval of contractors and subcontractors prior to tender award
 - f) Contractor will provide insurance to the City prior to commencing work

- g) City will have a dedicated resource paid through the DC project who will oversee construction and will have the ability to stop the work if it is not in accordance with the contract documents
- h) Landowners will submit all proposed construction change orders to the City for review and approval prior to acceptance
- i) Council approval will be required if costs increase more than 10% over budget
- j) Consulting Engineer will certify the works and submit all required documentation for City review and acceptance
- k) Reimbursement will be based on actual costs
- l) Securities will be based on 100% of the construction cost

Master Parkland Agreement

15. Terms of the Master Parkland Agreement are expected to include:
- a) Establish the total amount of parkland dedication for the Salem and Hewitt's Secondary Plan Areas
 - b) Requirement for parks to be built in the early phases of subdivision development
 - c) Establish the process for dedication of land for the following parks as set out in the Secondary Plans: Village Squares, Neighbourhood Parks and Community Parks
 - d) Establish the process for a cash-in-lieu of parkland payment by the landowners for a possible future sports park; the amount will be the difference between the total amount of parkland dedication under the Master Parkland Agreement and the amount of land dedicated for Village Squares, Neighbourhood Parks and Community Parks

ENVIRONMENTAL MATTERS

16. There are no environmental matters related to the recommendation.

ALTERNATIVES

17. The following alternative is available for consideration by General Committee:

Alternative #1 General Committee could choose not to authorize staff to finalize and arrange for the execution of a Hewitt's Sanitary Trunk North of Maplevue Developer Delivery Agreement with the Annexed Lands owner groups.

This alternative is not recommended as it is desirable to commence the process at the earliest opportunity in order to meet timelines for projected development.

Alternative #2 General Committee could choose not to authorize staff to finalize and arrange for the execution of an Annexed Lands Parkland Dedication Agreement with the Annexed Lands owner groups.

This alternative is not recommended as the Annexed Lands owners groups have requested that the City enter into an agreement at the earliest opportunity so that they may then proceed to enter into separate agreements between landowners.

FINANCIAL

18. The City's 5 year capital plan includes the Hewitt's Sanitary Trunk North of Mapleview project as follows:
- a) Design budget of \$190,000 in 2015 (committed) front-ended by the landowners in accordance with the EA Process and Engineering Design Funding and Development Charge Credit Agreement and to be funded from Development Charges
 - b) Construction budget of \$1,687,000 in 2017 (not yet committed) to be funded from Development Charges (Account 11-05-0518)

LINKAGE TO 2014-2018 STRATEGIC PLAN

19. The recommendation(s) included in this Staff Report support the following goals identified in the 2014-2018 Strategic Plan:
- Vibrant Business Environment
 - Responsible Spending
 - Inclusive Community
 - Well Planned Transportation
20. An important cornerstone of the City's growth management program is the implementation of the land use and servicing plans for the Annexed Lands. The MOU provides a framework for this process. The proposed Hewitt's Sanitary Trunk North of Mapleview Agreement with the owners groups will advance a project in the Infrastructure Implementation Plan that is required to service the growth areas.
21. The land use plans for the Salem and Hewitt's Planning Areas were developed in concert with a series of infrastructure master plans and a fiscal impact analysis. The purpose of this coordinated approach was to understand the full cost of growth. The policies in the Secondary Plans together with the commitments included in the MOU with land owners in the annexed area serve to ensure the City's financial sustainability as growth in the Annexed Lands proceeds.
22. Parkland development is an important component of creating an inclusive and complete community. The growth principles established by Council included early development of parks and other community facilities for use and enjoyment of all residents of the Annexed Lands.