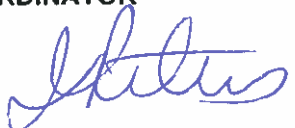


TO: GENERAL COMMITTEE


SUBJECT: FUNDING AND DEVELOPMENT CHARGE CREDIT AGREEMENT

WARD: ALL

PREPARED BY AND KEY CONTACT: E. HODGINS, GROWTH MANAGEMENT COORDINATOR
EXTENSION # 4403

SUBMITTED BY: I. PETERS, DIRECTOR OF LEGAL SERVICES 

GENERAL MANAGER APPROVAL: P. ELLIOTT-SPENCER, MBA, CPA, CMA
GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES 

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

RECOMMENDED MOTION

1. That the General Manager of Infrastructure and Growth Management be authorized to complete a Funding and Development Charge Credit Agreement wherein the Annexed Lands owners groups and the City agree to the details of the land owners commitments to front end the cost of the City undertaking comprehensive environmental assessment and engineering design for Infrastructure Implementation Plan projects in accordance with the terms of the Memorandum of Understanding (MOU).
2. That the Mayor and City Clerk be authorized to execute a Funding and Development Charge Credit Agreement with the Annexed Lands owners groups.

PURPOSE & BACKGROUND

3. The purpose of this report is to seek Council's approval to authorize the completion and execution of a Funding and Development Charge Credit Agreement with the Annexed Lands owners groups. This includes the major landowners in the Hewitt's Secondary Plan and Salem Secondary Plan Areas.
4. On May 21, 2014, Council approved the recommendations in Staff Report IGM003-14 entitled Growth Management Update: MOU, Infrastructure Implementation Plan and Approval of Secondary Plans. Approval of these recommendations advanced three key elements of the City's growth management program including the terms of a 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.
5. 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.
6. 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. An agreement is required to formalize this funding and credit arrangement.

ANALYSIS

7. The MOU includes a provision that the landowners will front end the cost of the City undertaking comprehensive environmental assessments for the Infrastructure Implementation Plan (IIP) projects. The cost is estimated at \$5M. The MOU also provides that, if required, the landowners will front end the design costs for IIP projects to be constructed by the City. These costs are estimated at \$9M. Both of these costs were included in the recently updated development charge. The amounts front ended by the land owners will be reimbursed through development charge credits.
8. There are several Class Environmental Assessment (EA) and engineering design projects involved. The EA projects include the roads and linear infrastructure in the Salem Secondary Plan Area, the McKay Road/Highway 400 interchange and the roads and linear infrastructure in the Hewitt's Secondary Plan Area. The design projects currently include the decommissioning of two pumping stations, the Hewitt's Creek sanitary trunk sewer, upgrades to the Holly Pumping Station and forcemain, the Madelaine and Sandringham trunk watermain and a watermain on County Road 27 south of Mapleview Drive West.
9. The details associated with implementing the front ending of the projects and the reimbursement provisions in the MOU are spelled out in this Funding and Development Charge Credit Agreement.

ENVIRONMENTAL MATTERS

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

ALTERNATIVES

11. 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 Funding and Development Charge Credit Agreement with the Annexed Lands owner groups.

This alternative is not recommended as the Agreement implements provisions in the MOU whereby the landowners agreed to front end the City's costs associated with completing comprehensive environmental assessments and designs for projects identified in the Infrastructure Implementation Plan. This is an important step in implementing the vision that Council approved for the Annexed Lands.

FINANCIAL

12. There are no financial implications resulting from the proposed recommendation.
13. The Funding and Development Charge Credit Agreement is a further commitment in the MOU and as such is intended to be executed with the land owners to provide the securities contemplated therein before the City awards the contract for the EA and design work. This is expected to occur in early April.

LINKAGE TO 2010-2014 COUNCIL STRATEGIC PLAN

14. The recommendation included in this Staff Report support the following goals identified in the 2010-2014 City Council Strategic Plan:
- Manage Growth & Protect the Environment – 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 Funding and Development Charge Credit Agreement with the owners groups is necessary in order to advance the infrastructure planning and design projects identified in the approved Infrastructure Implementation Plan and required to service the growth areas.
 - Strengthen Barrie's Financial Condition – 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.