



TO: GENERAL COMMITTEE

SUBJECT: FUNDING AND DEVELOPMENT CHARGE CREDIT AGREEMENT

WARD: ALL

PREPARED BY AND KEY CONTACT: C. PACKHAM, LEGAL COUNSEL
EXTENSION # 4511

SUBMITTED BY: I. PETERS, DIRECTOR OF LEGAL SERVICES
R. SUTTON, P.ENG, DIRECTOR OF ENGINEERING

GENERAL MANAGER APPROVAL: R. FORWARD, P.ENG, GENERAL MANAGER OF
INFRASTRUCTURE AND GROWTH MANAGEMENT

CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, 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 landowner groups and the City agree to the details of the landowners commitments to complete detailed engineering design for Infrastructure Implementation Plan (IIP) projects in accordance with the terms of the Memorandum of Understanding (MOU), and in a form approved by both the Director of Legal Services and the Director of Finance and Treasurer.
2. That the Mayor and City Clerk be authorized to execute a Funding and Development Charge Credit Agreement with the Annexed Lands landowner groups.

PURPOSE & BACKGROUND

3. The purpose of this report is to seek Council's approval to authorize the completion and execution of a further Funding and Development Charge Credit Agreement with the Annexed Lands landowners 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, IIP 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 IIP 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 growth financing tools that had been approved by Council in December 2013. One of the tools is permitting the landowners to complete comprehensive designs for certain projects identified in the IIP 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.

7. In July of 2015, the City entered into an agreement with the Landowners reflecting this arrangement for certain specified Environmental Assessment and Design projects (the "EA Engineering Design and DC Credit Agreement"). These projects are underway and the framework worked out in this agreement is working well.
8. The City is proposing to enter into further arrangements to permit the landowners to complete the design work for further projects reflected in the IIP.

ANALYSIS

9. The MOU includes a provision that the landowners will complete the design and construction of the various projects identified in the IIP as Developer Build projects. The design cost associated with these Developer-Build IIP Projects is currently estimated at approximately 12.3 million dollars. These costs are included in the City's updated development charge. The amount paid by the landowners for the design costs will be reimbursed through development charge credits.
10. There are several Developer-Build IIP engineering design projects involved. These include the engineering design for watermains, sanitary sewers, and roads. A detailed list of these projects and the projected design costs associated with each is set out in Schedule "A" attached hereto.
11. The details associated with implementing the design of these projects and the reimbursement provisions in the MOU shall be similar to those entered into in the EA Engineering Design and DC Credit Agreement.

ENVIRONMENTAL MATTERS

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

ALTERNATIVES

13. 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 pay the costs associated with designs for the Developer Build projects identified in the IIP. This is an important step in implementing the vision that Council approved for the Annexed Lands.

FINANCIAL

14. As agreed in the MOU, in exchange for front ending or paying the costs of the design work, developers will receive credits against development charges payable. The Development charge credit agreement will outline the process and timing of when the credits will be considered earned.



LINKAGE TO 2010-2014 COUNCIL STRATEGIC PLAN

15. 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.

Schedule "A"

List of Developer-Build IIP Projects and Anticipated Design Costs

Project Name*	Budgeted Cost (2017 Capital Plan)	Budgeted Year
Big Bay Point New Transmission Watermain and Road Expansion - Prince William to Street N	\$261,600.00	2017
County Road 27 New Transmission Watermain - South of Mapleview	\$ 96,000.00	2017
Essa Road New Transmission Watermain and Road Expansion - Athabaska to TCP	\$1,229,800.00	2017
Mapleview Dr E New Sanitary Sewer & Road Expansion - Prince William to Phase 1 Boundary	\$1,121,800.00	2017
Mapleview Drive E New Transmission Watermain - Yonge to Prince William	\$ 540,700.00	2017
McKay Road ROW Expansion - County Road 27 to Highway 400	\$4,116,000.00	2018
Salem Road New Transmission Watermain and Road Expansion - County Road 27 to Veterans	\$2,838,900.00	2018
Veterans Drive New Trunk Watermain and Road Expansion - Salem to City Limits	\$2,102,900.00	2017
TOTAL	\$12,307,700.00	

**NOTE: Project Names are as per Questica and may not be exact match to names set out in IIP*