

Subject: Front-Ending Report – Perth Street and Meynell Road/Oldenburg Avenue

File Number: ACS2023-PRE-PS-0079

**Report to Agriculture and Rural Affairs Committee on 6 July 2023
and Council 12 July 2023**

**Submitted on June 21, 2023 by Derrick Moodie, Director, Planning Services,
Planning, Real Estate and Economic Development**

**Contact Person: Wendy Tse, Coordinator, Front Ending Agreement and
Brownfields Program (A)**

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Ward: Rideau-Jock (21)

**Objet: Rapport d'entente préalable – Rue Perth et chemin Meynell / avenue
Oldenburg**

Dossier : ACS2023-PRE-PS-0079

**Rapport au Comité de l'agriculture et des affaires rurales le 6 juillet 2023
et au Conseil le 12 juillet 2023**

**Soumis le 21 juin 2023 par Derrick Moodie, Directeur, Services de la planification,
Direction générale de la planification, des biens immobiliers et du développement
économique**

**Personne-ressource: Wendy Tse, Coordinatrice, Ententes préalables et
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Quartier : Rideau-Jock (21)

REPORT RECOMMENDATIONS

- 1. That Agriculture and Rural Affairs Committee recommend Council authorize the City and delegate authority to the General Manager,**

Planning, Real Estate and Economic Development Department, to enter into a Front-Ending Agreement with Caivan for the design and construction of the roundabout at Perth Street and Meynell Road/Oldenburg Avenue to an upset limit of \$5,209,743.06 (plus applicable H.S.T.), in accordance with the Front-Ending Agreement Principles and Policy set forth in Documents 1 and 2 and with the final form and content being to the satisfaction of the City Solicitor; and

- 2. Authorize the financial disbursement to reimburse the design and construction costs incurred by Caivan pursuant to the Front-Ending Agreement, to a maximum amount of \$5,209,743.06 (plus applicable H.S.T.) for the roundabout at Perth Street and Meynell Road/Oldenburg Avenue, and in accordance with the reimbursement schedule set out in the Front-Ending Agreement.**

RECOMMANDATIONS DU RAPPORT

- 1. Que le Comité de l'agriculture et des affaires rurales recommande au Conseil d'autoriser la Ville à conclure une entente préalable avec Caivan, et déléguer le pouvoir à cette fin au directeur général de Planification, Immobilier et Développement économique, en vue de procéder à la conception et à la construction du carrefour giratoire à l'angle de la rue Perth, du chemin Meynell et de l'avenue Oldenburg, jusqu'à concurrence de 5 209 743,06 \$ (TVH en sus), conformément aux principes et à la politique de l'entente préalable énoncés dans les documents 1 et 2, et dont la forme et le contenu définitifs seront à la satisfaction du greffier municipal et de l'avocat général; et**
- 2. Autoriser le décaissement nécessaire au remboursement des coûts de conception et de construction engagés par Caivan dans le cadre de l'exécution de l'entente préalable, jusqu'à concurrence de 5 209 743,06 \$ (TVH en sus), visant le carrefour giratoire à l'angle de la rue Perth, du chemin Meynell et de l'avenue Oldenburg et conformément au calendrier de remboursement fixé dans l'entente préalable.**

BACKGROUND

On July 2, 2021, Council approved the Front-Ending Agreement for the roundabout at Perth Street and Meynell/Oldenburg Avenue ([ACS2021-PIE-PS-0077](#)). The report

authorized the City to enter into a front-ending agreement with Caivan for the design and construction of the intersection modification to an upset limit of \$3,999,455.

DISCUSSION

The roundabout and associated works are required to support the proposed subdivision located at 6335-6350 Perth Street and more generally the lands in the western area of the Village of Richmond. Caivan is prepared to front-end the cost for the intersection modification at Perth Street and Meynell Road/Oldenburg Avenue. Some works were completed in 2020 to support the on-going development. The remaining work generally consisting of the roundabout, bus stops at Perth/ Meynell-Oldenberg, urbanization of the north side of Perth including active transportation features (sidewalk/cycle track) on the north side of Perth Street connecting Meynell Road to Rochelle, street lighting, topsoil and sod, and top course of asphalt on Perth Street is expected to be performed in 2023 and 2024, with completion expected in the third quarter of 2024.

The previous approval established the upset cost for the work at \$3,999,455 which included engineering, contingency and project management, with a payback date of 2024. The construction component was costed at \$2,856,753. Although the initial construction was to take place between 2021/2022, additional time was required to finalize the design. Construction costs have increased due to the final design, construction inflation and new soil removal regulations from the province, resulting in a new construction cost of \$3,867,788.33, an increase of \$1,011,035.33. This has been reviewed and considered appropriate by City Staff. The new upset limit is \$5,209,743.06, including engineering, contingency and project management, excluding taxes. The contingency amount, \$375,007.65, is based only on the remaining works. This upset limit represents an increase of \$1,210,288.06 and the payback remains at 2024.

RURAL IMPLICATIONS

There are no rural implications associated with the proposed Front-Ending Agreement.

COMMENTS BY THE WARD COUNCILLOR(S)

Councillor Brown is supportive of the report.

LEGAL IMPLICATIONS

There are no legal impediments to implementing the recommendations of this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications associated with the front-ending of the intersection.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications associated with the recommendations in this report.

FINANCIAL IMPLICATIONS

The front-ending report and subsequent agreement are in accordance with the 2019 Development Charges Background Study and the Development Charges Amended Background Study: Transit and Roads Related Services.

Upset limits and cost breakdowns are below. Repayments are subject to fulfilment of the Front-Ending Agreement conditions and will be based on the actual values of the costs incurred, to the upset limits. Should the actual costs exceed the upset limit, the additional costs shall be borne by the developer and the City shall not be obligated to compensate for additional costs.

Pending Council approval for the City to enter into the Front-Ending Agreement, capital accounts will be established with budget authorities of the upset limits, 100 per cent funded by development charges.

Cost breakdown for Roundabout at Perth Street and Meynell Road/Oldenburg Avenue

Development Charge Item Number	Cost Breakdown
1.11.5 Intersection Control Measures	
(Traffic Signals, Roundabouts & Turning Lanes)	

A. Construction – Intersection roundabout & associated works	\$3,867,788.33
B. 15% Engineering	\$580,168.25
C 10% Project management	\$386,778.83
C. 15% Contingency (on remaining works)	\$375,007.65

Sub Total **\$5,209,743.06**

D. City Sunk HST (1.76% of Sub-Total) \$91,691.48

Total **\$5,301,434.54**

Pending Council approval for the City to enter into the Front-Ending Agreement, a capital account will be established with budget authorities of \$5,301,434.54, 100 per cent funded by development charges.

Upon completion of work and fulfillment of Front-Ending Agreement conditions, repayment will occur in 2024.

The City will be assuming the estimated \$10,000 annual operating cost for the sidewalk/cycle track and landscape maintenance and is to be paid from the operating budget.

ACCESSIBILITY IMPACTS

All infrastructure will be designed in accordance with all relevant legislation and regulations.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications with the front-ending of this intersection.

SUPPORTING DOCUMENTATION

Document 1 Front-Ending Agreement Principles

Document 2 Council Approved Front-Ending Policy

Document 3 Location Map

CONCLUSION

Staff recommend the Agriculture and Rural Affairs Committee authorize the City and delegate authority to the General Manager, Planning, Real Estate and Economic Development, to enter into a Front-Ending Agreement for the roundabout at Perth Street and Meynell Road/Oldenburg Avenue to be front-ended by Caivan at an upset limit of \$5,209,743.06 (plus applicable H.S.T.).

DISPOSITION

Legal Services to prepare the final form of the agreements in consultation with the

Planning, Infrastructure and Economic Development Department.

The Treasurer to earmark funds for repayment as noted in this report.

Document 1 – Front-Ending Agreement Principles

1. Caivan is required to post 100 per cent securities for the full cost of the design and construction of the intersection of Perth Street and Meynell Road/Oldenburg Avenue including all associated works, estimated at \$5,209,743.06 including engineering, project management and contingences, and excluding applicable taxes.
2. The City will reimburse Caivan after the works have been granted approval by the City. Reimbursement will take place in 2024, provided the applicant satisfies all requirements in accordance with the Council approved Front-Ending Policies in Document 2.
3. The repayment of construction costs for the sewer and road works shall be pursuant to Council-approved Front-Ending Agreement Policy as referenced under Document 2.

Document 2 – Council Approved Front-Ending Policy

Front-Ending Agreements are requested by developers who wish to have specific growth-related capital works in place in advance of the City's capital project plans for emplacement of these same works: developers agree to finance the works at the "front-end" and recover their costs from the City at a later date. The following conditions must be met in order for the City to enter into a Front-Ending Agreement:

1. All Front-Ending Agreements with the City will be for growth-related capital works that have been included in a development charge study.
2. The contract for front-ended works shall be awarded by the front-ender in accordance with the City's Purchasing Policy of a competitive procurement process and subject to the review and satisfaction of the General Manager, Planning, Infrastructure and Economic Development Department. Where the front-ender does not award the work in accordance with the City's purchasing policy, they must demonstrate that competitive pricing has been obtained, through independent analysis of their engineer, to the satisfaction of the General Manager, Planning, Infrastructure and Economic Development Department. The contract for the work must be made available to the City to provide to the public.
3. Stormwater ponds and related sewer works that are 100 per cent development charge funded in the recommended by-laws will be paid back to the developer based on revenues as they are collected from the designated area. This means that at no time are the repayments to exceed the revenues received. Each Front-Ending Agreement will define the geographic area involved and a separate and specific deferred revenue account may be set up to keep track of the revenues collected and payments made. Crediting will also be allowed for the Front-Ending Agreements related to storm water ponds. Indexing shall apply to the outstanding balance in accordance with the rate of indexation pursuant to the Development Charge By-laws.
4. For all other capital projects, a lump sum payment, both the development charge portion and the City portion, will be made to the developer in the year the project is identified in the City's 10-year capital plan at the time the Front-Ending Agreement is approved. Should growth occur earlier than forecasted, then repayment would be accelerated to reflect the revised timing the City would have budgeted for the project. If growth occurs more slowly than forecasted, then the City will have an additional one to three years (one to three years from the year the project was identified in the 10-year plan) to make repayments. Only in this latter case will the City's portion of the payment be indexed beginning with the

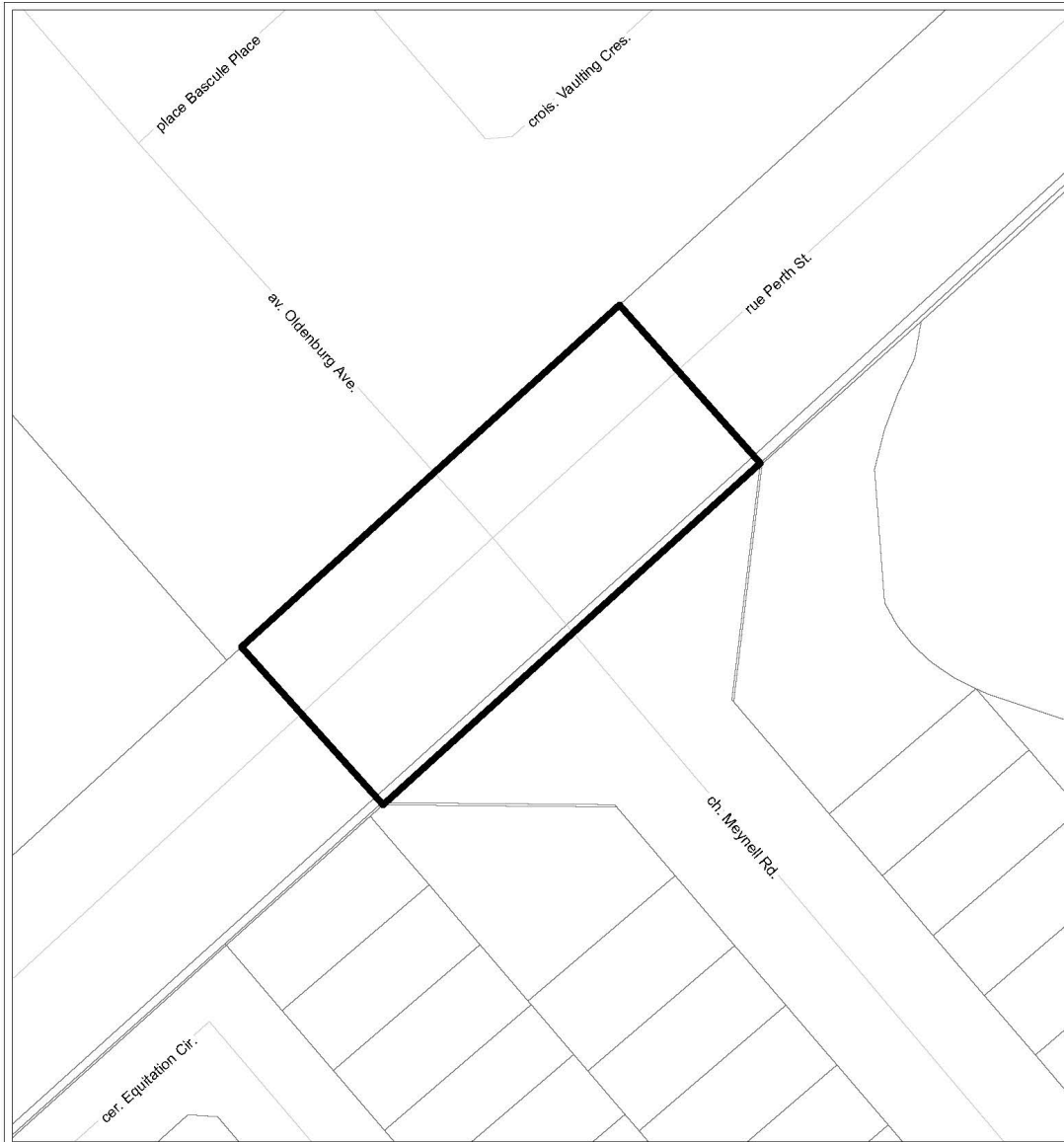
year the project was identified in the 10-year plan.



5. Given that the City will be assuming operating costs earlier than anticipated through the Front-Ending Agreement process; the City is not to pay any carrying costs to the developer.
6. All development charges payable by developers must be paid up front in accordance with the City's by-law. With the exception of the stormwater ponds and related sewer works, there will not be any crediting allowed as a result of entering into a Front-Ending Agreement. On December 8, 2004, City Council approved, "That staff be directed to work with the industry to develop the details of a credit policy to be incorporated into the Front-Ending Policy".
7. In the case where multiple Front-Ending Agreements are in force in the same area-specific Development Charge By-law, and the City has approved the front-ended works for development charge reimbursements, the front-enders will share in the distribution of development charge revenues on a pro-rata basis with other storm water drainage projects. The pro-rated works shall be based on the balance of the outstanding amount owing on the date the repayment is due. Existing front-enders will be advised of new Front-Ending Agreements for stormwater works within the same benefiting area and area-specific development charge By-law.
8. The capital project upset limits for engineering, project management, and contingency shall be the established rates set in accordance with the City's Development Charge By-laws and accompanying background studies, as amended.
9. Land remuneration shall be subject to an appraisal by a professional land appraiser and the appraisal shall be conducted in accordance with the terms of reference as established in the City's Development Charge By-laws and accompanying background studies, as amended. The upset limit for land remuneration shall be the lesser of the appraised value and the upset limit in accordance with the City's Development Charge By-laws and accompanying background studies.
10. Indexing shall apply to the total project costs if the front-ended works have been delayed over a period of time; the front-ender provides justification for the delay, and with the written concurrence of the City.
11. Where a front-ender is eligible for development charge reimbursement, documentation is required to support the reimbursement in accordance with the

City's Purchasing Policy. The Front-Ending Agreement shall identify at which stage the documentation shall be required. The following documentation shall be forwarded to the City before payment is issued:

- An invoice summarizing the front-ended works, and separate cost items, if applicable, for land, construction costs, engineering fees, project management fees, contingency fees, and applicable taxes.
 - Payment Certificates, including the final certificate, signed by the developer's civil engineer.
 - All invoices supporting re-payment for the front-ended works.
 - Statutory Declaration.
 - Certificate of Substantial Performance.
 - Workplace Safety and Insurance Board Clearance Certificate (WSIB).
 - Certificate of Publication.
12. A report to Council is required to authorize staff to enter into a Front-Ending Agreement. The recommendation will include the financial commitment of the City, specify the funding source(s), the project timeline and where necessary, request that a specific deferred revenue account be established. The financial comment in the report will specify the timelines for the repayment, an operating budget impact and an estimate of the year in which the operating budget impact will begin. It should also indicate the year in which the project was originally identified in the City's 10- year capital plan. A capital project will be established upon Council approval to enter into a Front-Ending Agreement. The status of these projects will be provided to Council on a yearly basis.
13. No capital project identified outside of the Council approved 10- year long range capital plan, shown in the Development Charge Background Study is eligible to be front-ended unless another item(s) of comparable value, funding allocation, and timing is delayed. A capital project identified with a post-period deduction applied to the gross cost will only have the development charge portion reimbursed if front-ended over the term of the by-law. Indexing would not be applicable to the repayment of the post-period component of the project cost. If growth occurs more slowly than forecasted, then the City Treasurer will have the authority to add an additional three years, without interest, to the repayment of the post-period component of the front-ended project from development charges.

Document 3 – Location Map



		LOCATION MAP / PLAN DE LOCALISATION PLAN OF SUBDIVISION / PLAN DE LOTISSEMENT	
D07-16-19-0009	21-0735-J		6335 - 6350 rue Perth St
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