

Subject: Front Ending Report – Design and Construction, Gloucester Urban Community Interim Pond 2, Sanitary Sewer and Oversizing of Storm Sewer

File Number: ACS2024-PDB-PS-0085

Report to Planning and Housing Committee on 9 July 2024

and Council 10 July 2024

Submitted on July 8, 2024 by Derrick Moodie, Director, Planning Services, Planning, Development and Building Services

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

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Ward: Orléans South-Navan (19)

Objet : Rapport d'entente préalable – Conception et construction, bassin provisoire 2 de la collectivité urbaine de Gloucester, l'égout sanitaire et surdimensionnement de l'égout pluvial

Dossier : ACS2024-PDB-PS-0085

Rapport au Comité de la planification et du logement

le 9 juillet 2024

et au Conseil le 10 juillet 2024

Soumis le 8 juillet 2024 par Derrick Moodie, Directeur, Services de la planification, Direction générale des services de la planification, de l'aménagement et du bâtiment

Personne-ressource : Wendy Tse, Coordinatrice, Ententes préalables et Programme de friches industrielles (i)

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Quartier : Orléans-Sud-Navan (19)

REPORT RECOMMENDATIONS

That Planning and Housing Committee recommend Council:

1. **Authorize the City and delegate authority to the General Manager, Planning, Development and Building Services Department, to enter into a Front-Ending Agreement with Ashcroft Homes Eastboro Inc., which provide for the repayment of the design and construction associated with the Gloucester Urban Community Interim Pond 2, related sanitary sewer and oversizing of the storm sewer to a total upset limit of \$30,213,280 (inclusive of construction, applicable land, contingency, engineering and project management amounts) plus applicable taxes in accordance with the Front-Ending Agreement Principles and Policy set forth in Documents 2 and 3 and with the final form and content being to the satisfaction of the City Solicitor, distributed as follows:**
 - a. **Upset limit for construction and land costs for Interim Pond 2 of \$15,283,166 plus applicable taxes**
 - b. **Upset limit for Sanitary Sewer of \$6,820,712 plus applicable taxes and**
 - c. **Upset limit for Storm Sewer Oversizing of \$8,109,402 plus applicable taxes.**
2. **Authorize the financial disbursement to reimburse the design and construction costs incurred by the above pursuant to the execution of the Front-Ending Agreement to an upset limit of \$30,213,280 (inclusive of construction, applicable land, contingency, engineering and project management amounts) plus applicable taxes and in accordance with the reimbursement schedule set out in said agreement.**
3. **Authorize the financial disbursement to reimburse for the sanitary sewer based on the following scenarios:**
 - a. **If Navan Road is reopened within six months and the storm sewer is in-service with all deficiencies having been addressed within six months of the commencement of work, the City will pay four per cent interest per annum from the date of the adoption of a development charge by-law that incorporates the sanitary sewer at the above cost \$6,820,712 to March 31, 2027**

- b. If Navan Road is not opened within six months or the storm sewer is not in-service within six months of the commencement of work, no interest is payable and the payment in respect of the sanitary sewer shall be \$6,820,712 on March 31, 2027.
- 4. Approval in principle for a payment of \$1,853,290 per hectare (\$750,000 per acre), plus applicable taxes, of land for the Ultimate Stormwater Pond 2.
- 5. Delegate authority to the General Manager, Planning Development and Building Services to approve the temporary closure of Navan Road to facilitate the construction of the works associated with this report.
- 6. Suspend the notice required under Subsections 29(3) and 34(1) of the Procedure By-law to consider this report at the July 10, 2024, Council meeting in order for the recommendations to be considered in a timely manner.

RECOMMANDATIONS DU RAPPORT

Que le Comité de la planification et du logement recommande au Conseil municipal d'approuver :

- 1. Autoriser la Ville à conclure une entente préalable avec Ashcroft Homes Eastboro Inc. – et déléguer le pouvoir à cette fin à la directrice générale de la Direction générale des services de la planification, de l'aménagement et du bâtiment –, entente qui prévoit le remboursement de la conception et de la construction du bassin provisoire 2 de la collectivité urbaine de Gloucester, de l'égout sanitaire et du surdimensionnement de l'égout pluvial, jusqu'à concurrence de 30 621 567 \$ (un montant comprenant la construction, l'acquisition des terrains, le fonds de prévoyance, l'ingénierie et la gestion de projet), taxes applicables en sus, conformément aux principes et à la politique des ententes préalables énoncés dans les documents 2 et 3, et dont la forme et le contenu définitifs seront à la satisfaction de l'avocat général. Le remboursement sera ainsi réparti :
 - a. Montant maximal pour la construction et l'acquisition des terrains pour le bassin provisoire 2 : 15 691 453 \$, taxes applicables en sus;
 - b. Montant maximal pour l'égout sanitaire : 6 820 712 \$, taxes applicables en sus;

EXECUTIVE SUMMARY

Approval is being sought to enter into a Front Ending Agreement with Ashcroft Eastboro Inc. (Ashboro) for the design and construction of the East Urban Community Pond 2, a sanitary sewer, and the oversizing of a storm sewer within the Navan Road right of way.

These works are in accordance with East Urban Community Phase 2 Community Design Plan, Infrastructure Servicing Study Update (ISSU) and the Environmental Management Plan that was issued in 2013.

If approved, staff would be authorized to enter into a front ending agreement and disburse funds, in accordance with standard front ending principals, to an upset limit of \$30,213,280 inclusive of construction, applicable land, contingency, engineering, project management amounts, plus applicable taxes. This upset limit amount would be broken out as follows:

- \$15,283,166 plus applicable taxes for the Interim Pond 2.
- \$6,820,712 plus applicable taxes for the sanitary sewer
- \$8,109,402 plus applicable taxes for oversizing of the storm sewer.

The report would also allow for an interest payment of four percent, from the date that an updated Development Charge Bylaw is adopted which would reflect the updated cost for the sanitary sewer, until the planned payback of March 31, 2027, provided the works result in the closure of Navan Rd for 6 months or less. If the closure takes more than 6 months, the interest would be forfeited.

Finally, the report would establish a value, in principal, for the land value of additional land required for the ultimate pond at \$1,853,290 per hectare and authorize staff to approve the required road closures associated with the works described in the report.

RÉSUMÉ

L'approbation est demandée pour la conclusion d'une entente préalable avec Ashcroft Eastboro Inc. (Ashboro) pour la conception et la construction du bassin 2 de la collectivité urbaine de l'Est, de l'égout sanitaire et du surdimensionnement de l'égout pluvial dans l'emprise routière du chemin Navan.

Ces travaux sont conformes à la phase 2 du Plan de conception communautaire de la collectivité urbaine de l'Est, à la mise à jour de l'étude de viabilisation de l'infrastructure (MJEVI) et au Plan de gestion de l'environnement publié en 2013.

En cas d'approbation, le personnel sera autorisé à conclure une entente préalable et à déboursier des fonds, conformément aux principes de financement initial habituels, jusqu'à concurrence de 30 213 280 \$ (un montant comprenant la construction, l'acquisition des terrains, le fonds de prévoyance, l'ingénierie et la gestion de projet), taxes applicables en sus. Ce montant maximal serait réparti comme suit :

- 15 283 166 \$ plus les taxes applicables pour le bassin provisoire 2
- 6 820 712 \$ plus les taxes applicables pour l'égout sanitaire
- 8 109 402 \$ plus les taxes applicables pour le surdimensionnement de l'égout pluvial

Le rapport prévoit également un paiement d'intérêts de quatre pour cent, à compter de la date d'adoption d'un règlement municipal sur les redevances d'aménagement mis à jour, qui refléterait le coût actualisé de l'égout sanitaire, jusqu'au remboursement prévu du 31 mars 2027, à condition que les travaux entraînent la fermeture du chemin Navan pendant 6 mois ou moins. Si la fermeture dure plus de 6 mois, l'intérêt serait perdu.

Enfin, le rapport établirait une valeur, en principe, de 1 853 290 \$ l'hectare pour les terrains supplémentaires requis pour le dernier bassin et autoriserait le personnel à approuver les fermetures de routes requises pour les travaux décrits dans le rapport.

BACKGROUND

The East Urban Community (EUC) is bounded by Innes Road, Page Road, Mer Bleue Road and the Canadian Pacific Railway (CPR) right of way adjacent to the Mer Bleue Wetland, in the former City of Gloucester.

In 1992, the City of Gloucester completed a Master Drainage Plan (MDP) Report, pursuant to the Provincial Class EA process. The MDP report identified a requirement for a stormwater management pond within the EUC Phase 2 study area to be located at the south east corner of the EUC, as an 'inline pond' in the ravine. This area is bounded by Renaud Road to the north, the Phase 1 EUC development to the west, the Old Mer Bleue Road to the east and the CPR right of way to the south. Two small residential subdivisions exist within the study area along Mer Bleue Road and Renaud Road and the Waste Connections of Canada waste disposal facility is situated to the south between Navan Road and the CPR right of way.

The EUC Phase 2 covers an area of approximately 240 hectares and Pond 2 was proposed to provide required stormwater management for the area.

The EUC Phase 2 area Community Design Plan, Infrastructure Servicing Study Update (ISSU) and Environmental Management Plan (EMP) were issued in 2013 as an update

to the 2005 ISSU. The ISSU and EMP were completed under schedule C of the Municipal Class Environmental Assessment (EA) Process. The pond was modified as a single large stormwater management pond located south of Navan Road, between the land and the Sabourin Creek valley, on the tablelands above the ridge. Development in the East Urban Community continues to progress. Ashcroft proceeded with the design and construction of the Interim Storm Water Pond 2, sanitary sewer and the storm sewer inlet between the interim pond inlet and Navan Road.

The Pond 2 and storm sewer oversizing are within the Area Specific Development Charge Area E-3 with the sanitary sewer identified in the City-Wide DC Background Study.

DISCUSSION

In order to allow the reimbursement for the design and construction of the Interim Pond 2, sanitary sewer and oversizing of storm sewer to occur, Council approval is sought for the City to enter into a Front Ending Agreement (FEA) with Ashcroft Homes Eastboro Inc. (Ashcroft). Upon execution of the FEA, the City will be able to provide reimbursement for any works currently constructed and eligible for reimbursement as a DC item.

Ashcroft received draft approval of their subdivision lands (D07-16-12-0001, Phase 1B, 2A and 2B) in July 2014, with extensions granted to the draft approval. Registration of the subdivision has not occurred to date, however, 34 conditional building permits have been issued. In total, the subdivision will accommodate approximately 958 dwelling units.

Ashcroft has provided the City with the necessary design plans for the Interim Pond 2, sanitary sewer and storm sewer. These are off-site works required to support the subdivision and the costs are eligible DC items.

Interim Pond 2

The Interim Pond 2 is located south of Navan Road, east of the Waste Connections of Canada facility and in accordance with the East Urban Community, Phase 2 Community Design Plan (CDP). This pond would receive stormwater from Ashcroft's subdivision as well as future development lands within the CDP area. Construction of the Interim Pond has occurred.

The upset limit for Interim Pond 2 is \$15,283,166 (inclusive of construction, land, engineering, contingency and project management amounts) plus applicable taxes, to

be paid back on a quarterly basis as payments are received in the ASDC Area E-3. Payback of construction costs (\$3,140,666 plus applicable taxes) will commence after the works have been granted approval by the City. Payment of land costs (\$12,142,500 plus applicable taxes) will commence when the land has been conveyed to the City and a satisfactory Record of Site Condition has been provided to the City.

The City of Ottawa will assume the Interim Pond 2 after approximately 766 building permits have been issued, being 80 per cent of the approximately 958 total building permits. Ashcroft will be responsible for the maintenance/operating costs of the facility until that time, with these costs not being DC recoverable. Prior to assumption, the City will inspect for deficiencies, request an operation manual and have the pond cleaned out at the Ashcroft's cost.

Although the City does not reimburse for 'interim' works, the construction of Pond 2 is in phases and the Interim Pond 2 is considered the first phase and will become part of the final pond.

Sanitary Sewer

The sanitary sewer has been constructed. The upset limit for the sanitary sewer is \$6,820,712 (inclusive of construction, engineering, contingency and project management amounts) plus applicable taxes. Once approved by the City, reimbursement will be on March 31, 2027 contingent on the fulfillment of the Council approved Front Ending Policies in Document 4 and that all deficiencies have been addressed.

In order to provide an incentive for the timely re-opening of Navan Road and construction of the storm sewer, the City is proposing to provide interest above the reimbursement cost based on the following scenarios:

- If Navan Road is reopened within six months and the storm sewer is in-service with all deficiencies having been addressed within six months of the commencement of work, the City will pay four per cent interest per annum from the date of the adoption of a development charge by-law that incorporates the sanitary sewer at the above cost \$6,820,712 to March 31, 2027.
- If Navan Road is not opened within six months or the storm sewer is not in-service within six months of the commencement of work, no interest is payable and the payment in respect of the sanitary sewer shall be \$6,820,712 on March 31, 2027.

Storm Sewer Oversizing

The City will reimburse for the oversizing of storm sewer. The storm sewer from Navan Road to the Interim Pond 2 inlet has been constructed. The storm sewer along Navan Road has not been constructed, having been planned for installation concurrent with home construction, but it was not possible due to construction challenges encountered in the field as a result of the underlying sensitive marine clay soils. The storm sewer will only be permitted to connect to the interim pond if a satisfactory record of site condition for the interim pond has been provided to the City. The upset limit for the storm sewer oversizing is \$8,109,402 (inclusive of construction, engineering, contingency and project management amounts) plus applicable taxes. The amount will be reimbursed pro rata on a quarterly basis with any other developers entitled to reimbursement in Area E-3 as Area Specific Development Storm Development Charges are received in Area E-3. Payback will commence after the works have been granted approval by the City.

Ultimate Stormwater Pond 2

The Ultimate Stormwater Pond 2 is required to support the full build-out of the CDP area. The detailed design has not been completed and construction has not taken place. Lands will need to be acquired for this to occur and approval is sought from Council to endorse in principle a value of \$1,853,290 per hectare (\$750,000 per acre) plus HST for the Ultimate Pond 2 lands. It is estimated that approximately 5.3 hectares (13.2 acres) of land will be acquired.

Front Ending Agreements

Approval is sought to enter into a Front Ending Agreement to allow for the repayment to Ashcroft for the work already undertaken and the works to be constructed in relation to the Interim Pond 2, sanitary sewer and the oversizing of the storm sewer in order to support the development of the subdivisions. Approval will be sought in the future to enter into the required Front Ending Agreement and authorize financial disbursement related to the Ultimate Stormwater Pond 2.

RURAL IMPLICATIONS

There are no rural implications associated with the report recommendations.

COMMENTS BY THE WARD COUNCILLOR(S)

Councillor Catherine Kitts provided the following comments:

From a high-level, this Front-Ending Agreement between the City of Ottawa and Ashcroft Homes is merely a financial transaction. However, it is far more than that, and navigating the complexities of this project and its impact on my community has been one of the most challenging files I have dealt with.

I would like to make it clear that the City's position on payment for oversizing the storm sewer detailed in this agreement has not changed. This Front-Ending Agreement could have come forward months ago, while purchasers who bought in 2019 continue to await delivery of their homes. I have incredible sympathy for the residents that have been caught in this stressful and unfair situation. As anyone familiar with the area will know, a large portion of Orléans South is under development, but this dispute was exceptional.

While I am pleased to see that the disagreement is being resolved, I remain in a difficult position, as approval of this agreement will lead to a prolonged closure of Navan Road: a critical arterial link for our community that sees thousands of commuters daily. It serves the same importance as the likes of Standherd Drive, Mitch Owens Road, Carp Road, etc. The community has already experienced several extended closures allowing for work by this developer, and the prospect of another closure, this time in both directions and estimated to last a minimum of six months, is understandably distressing for farmers, seasonal business owners, and residents alike. Especially given the multi-month closure we endured less than two years ago, which did not end on time.

With alternate routes (Brian Coburn Blvd, Innes Road, etc.) already operating over capacity, I want to acknowledge that this situation impacts people's quality of life and their livelihoods. I have spent countless hours in meetings with staff from all departments, advocating for alternatives and exploring every possible option to minimize disruption. Experts and consultants explored scenarios to try and engineer a solution that did not include a full closure, but unfortunately, due to the geographic constraints, right-of-way issues, and operational space limitations, building a new lane to alleviate the impact is simply not feasible due to the size of equipment required to install the new pipes.

Despite these challenges, I am committed to mitigating the inconvenience as much as possible, pushing the developer to expedite the work and ensure the project is completed on time. I will be holding the developer accountable for their proposed traffic management plans, and I look forward to working with staff on proactive communication with my community.

LEGAL IMPLICATIONS

This report is being brought forward on the basis of a resolution of issues concerning the construction of the interim stormwater pond, sanitary sewer and storm sewer.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications associated with this report.

ASSET MANAGEMENT IMPLICATIONS

The recommendations documents in this report is consistent with the City's Comprehensive Asset Management (CAM) Program objectives. The implementation of the CAM Program enables the City to effectively manage existing and new infrastructure to maximize benefits, reduce risk, and provide safe and reliable levels of service to community users. This is done in a socially, culturally, environmentally and economically conscious manner.

Entering into a third party infrastructure agreement, in this case, between the City and Ashcroft, for the design and construction of Interim Pond 2, sanitary sewer and storm sewer oversizing supports a level of service expectation and what needs to be completed to achieve those levels.

FINANCIAL IMPLICATIONS

All front-ending agreements are subject to the front-ending principles noted in Document 2 and the Council approved front-ending policy noted in Document 3. The Pond 2 and storm sewer oversizing are within the Area Specific Development Charge Area E-3 with the sanitary sewer identified in the City-Wide DC Background Study.

The upset limits 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 limit. 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 limit, 100 per cent funded by development charges.

Item	DC Item No.	Upset Limit (inclusive of construction, applicable land, contingency, engineering, project management)	City Sunk HST (1.76% of upset limit)	Total (upset limit +sunk HST)
Interim Stormwater Pond 2 (construction and land)	E3-4	\$15,283,166	\$268,984	\$15,552,150
Sanitary Sewer (construction)	10.00X6	\$6,820,712	\$120,045	\$6,940,757
Storm Sewer Oversizing (construction)	E3-5	\$8,109,402	\$142,725	\$8,252,127
Total		\$30,213,280	\$531,754	\$30,745,034

Interim Pond 2

The upset limit for Interim Pond 2 is \$15,283,166 (inclusive of construction, land, engineering, contingency and project management amounts) plus applicable taxes, to be paid back pro rata on a quarterly basis with any other developers entitled to reimbursement in Area E-3 as Area Specific Development Storm Development Charges

received in Area E-3.

Payback of construction costs (\$3,140,666 plus applicable taxes) will commence after the works have been granted approval by the City. Payment of land costs (\$12,142,500 plus applicable taxes) will commence when the land has been conveyed to the City and a satisfactory Record of Site Condition has been provided to the City.

Ashcroft will be responsible for the maintenance/operating costs of the facility until City assumption, with these costs not being DC recoverable.

Sanitary Sewer

The upset limit for the sanitary sewer is \$6,820,712 (inclusive of construction, engineering, contingency and project management amounts) plus applicable taxes and interest is fully funded by Development Charges Sanitary Wastewater Reserve Fund. The total cost of the sanitary sewer is not included in the 2024 development charge background study, therefore Staff will seek to include the additional cost in the next development charge background study to ensure cost recovery through development charges. The Outside the Greenbelt sanitary sewer development charge reserve fund currently has a cash balance of \$15.5M with \$11.2M committed, leaving a \$4.3M uncommitted reserve fund balance that is available to help fund the growth-related net capital costs identified in the 2024 DC Background Study. Once approved by the City, reimbursement will be made on March 31, 2027, to allow sufficient time to collect development charges to make the repayment. Repayment is based on the following scenarios:

- If Navan Road is reopened within six months and the storm sewer is in-service within six months of the issuance of a commence work order by the City, the City will pay four per cent interest per annum from the date of the adoption of a development charge by-law that incorporates the sanitary sewer at the above cost \$6,820,712 to March 31, 2027
- If Navan Road is not opened within six months or the storm sewer is not in-service within six months of the commencement of work, no interest is payable and the payment in respect of the sanitary sewer shall be \$6,820,712 on March 31, 2027.

The potential interest cost is equal to \$272,828 per year.

Storm Sewer Oversizing

The upset limit for the storm sewer oversizing is \$8,109,402 (inclusive of construction, engineering, contingency and project management amounts) plus applicable taxes. The amount will be reimbursed pro rata on a quarterly basis with any other developers entitled to reimbursement in Area E-3 as Area Specific Development Storm Development Charges are received in Area E-3. Payback will commence after the works have been granted approval by the City and the storm sewer is in-service.

Ultimate Stormwater Pond 2

The report seeks approval in principle for a payment of \$1,853,290 per hectare (\$750,000 per acre), plus applicable taxes, of land for the Ultimate Stormwater Pond 2. A future Council report will be required to seek approval to enter into a Front-Ending Agreement and authorize financial disbursement for the Ultimate Stormwater Pond 2.

ACCESSIBILITY IMPACTS

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

TERM OF COUNCIL PRIORITIES

This project addresses the following Term of Council Priorities:

- A City that has affordable housing and is more liveable for all
- A City with a diversified and prosperous economy

SUPPORTING DOCUMENTATION

Document 1 Location Map

Document 2 Front-Ending Agreement Principles

Document 3 June 25, 2009 Council-Approved Front-Ending Policy

CONCLUSION

Staff recommend Council authorize the City and delegate authority to the General Manager, Planning, Development and Building Services Department, to enter into a Front-Ending Agreement for the EUC Interim Pond 2, sanitary sewer and oversizing of the storm sewer with Ashcroft Homes Eastboro Inc. to a total upset limit of \$30,213,280 (inclusive of construction, applicable land, contingency, engineering and project management amounts) plus applicable taxes apportioned as described in the report.

DISPOSITION

Legal Services to prepare the final form of the agreement in consultation with the Planning, Development and Building Services Department.

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

Document 2 – Front-Ending Agreement Principles

1. Ashcroft Homes Eastboro Inc. is required to post 100 per cent securities for the full cost of the Interim Pond 2, sanitary sewer and oversizing of the storm sewer, estimated at \$30,213,280 (inclusive of construction, applicable land, contingency, engineering and project management amounts) plus applicable taxes.
2. The established and estimated costs are the following (inclusive of construction, applicable land, contingency, engineering and project management amounts) plus applicable taxes:
 - a. Upset limit for construction and land costs for Interim Pond 2 of \$15,283,166 plus applicable taxes
 - b. Upset limit for Sanitary Sewer of \$6,820,712 plus applicable taxes and
 - c. Upset limit for Storm Sewer Oversizing of \$8,109,402 plus applicable taxes.

All costs incurred shall be justified and include supporting invoices and payment certificates.

3. Following completion of construction, the City will reimburse Ashcroft Homes Eastboro Inc. as follows, provided the applicant satisfies all requirements in accordance with the Council approved Front-Ending Policies in Document 3:
 - a. Interim Pond 2: repayment on a quarterly basis, commencing after the works have been granted approval by the City
 - b. Land for Interim Pond 2: repayment on a quarterly basis, commencing after the land has been conveyed to the City and a satisfactory Record of Site Condition has been provided to the City
 - c. Sanitary Sewer: upon approval by the City, March 31, 2027, final amount based on the following scenarios:
 - If Navan Road is reopened within six months and the storm sewer is in-service with all deficiencies having been addressed within six months of the commencement of work, the City will pay four per cent interest per annum from the date of the adoption of a development charge by-law that incorporates the sanitary sewer at the above cost \$6,820,712 to March 31, 2027

- If Navan Road is not opened within six months or the storm sewer is not in-service within six months of the commencement of work, no interest is payable and the payment in respect of the sanitary sewer shall be \$6,820,712 on March 31, 2027.
- d. Storm Sewer Oversizing: repayment on a quarterly basis, commencing after the works have been granted approval by the City.
4. The repayment of construction costs for the Interim Pond 2, sanitary sewer and oversizing of storm sewer shall be pursuant to Council-approved Front-Ending Agreement Policy as referenced under Document 3.

Document 3 – June 25, 2009 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.