

Subject: Front-Ending Report – Robert Grant Avenue, also known as the Stittsville North South Arterial Road, from Abbott Street East to Hazeldean Road

File Number: ACS2022-PIE-PS-0020

Report to Planning Committee on 24 February 2022

and Council 9 March 2022

Submitted on February 11, 2022 by Lily Xu, Acting Director, Planning, Real Estate and Economic Development

Contact Person: Stream Shen, Acting Coordinator, Front Ending Agreements and Brownfields Programs, Planning Services

613-580-2424, 24488, stream.shen@ottawa.ca

Ward: Stittsville (6)

Objet : Rapport d'entente préalable – avenue Robert Grant, également connue comme étant l'artère nord-sud de Stittsville, entre la rue Abbott Est et le chemin Hazeldean

Dossier : ACS2022-PIE-PS-0020

Rapport au Comité de l'urbanisme

le 24 février 2022

et au Conseil le 9 mars 2022

Soumis le 11 février 2022 par Lily Xu, Directrice par intérim, Direction générale de la planification, des biens immobiliers et du développement économique

**Personne ressource : Stream Shen, Coordinateur par interim
Ententes préalables et Programme de friches industrielles, Services de la planification**

613-580-2424, 24488, stream.shen@ottawa.ca

Quartier : Stittsville (6)

REPORT RECOMMENDATIONS

That Planning Committee recommend that Council:

- 1. Authorize the City and delegate authority to the General Manager, Planning, Infrastructure and Economic Development Department, to enter into a Front-Ending Agreement with Fernbank Landowners Group Ltd. for the design and construction of Robert Grant Avenue, also known as the Stittsville North South Arterial Road, from Abbott Street East to Hazeldean Road as outlined in this report, to an upset limit of \$20,334,800 plus applicable taxes and indexing, in accordance with the Front-Ending Agreement Principles and Policy set forth in Document 1 and 2 and with the final form and content being to the satisfaction of the City Solicitor.**
- 2. Authorize the financial disbursement to reimburse the design and construction costs incurred by Fernbank Landowners Group Ltd. pursuant to the execution of the Front-Ending Agreement, to a maximum amount of \$20,334,800 plus applicable taxes and indexing, and in accordance with the reimbursement schedule set out in the Front-Ending Agreement; and**
- 3. Authorize the creation of a budget for the design and construction work required per the Front-Ending agreement and the public art funding of \$142,670 as outlined in the report.**

RECOMMANDATIONS DU RAPPORT

Que le Comité de l'urbanisme recommande ce qui suit au Conseil :

- 1. Autoriser la Ville à conclure une entente préalable avec Fernbank Landowners Group Ltd., et déléguer le pouvoir à cette fin au directeur général de Planification, Infrastructure et Développement économique, en vue de procéder à la conception et à la construction de l'avenue Robert Grant, également connue comme étant l'artère nord-sud de Stittsville, entre la rue Abbott Est et le chemin Hazeldean, comme le décrit le présent rapport, jusqu'à concurrence de 20,334,800 \$, taxes applicables et indexation 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 de l'avocat général.**

2. **Autoriser le décaissement nécessaire au remboursement des coûts de conception et de construction engagés par Fernbank Landowners Group Ltd. dans le cadre de l'exécution de l'entente préalable, jusqu'à concurrence de 20,334,800 \$, taxes applicables et indexation en sus, conformément au calendrier de remboursement fixé dans l'entente préalable; et**
3. **Autoriser l'établissement d'un budget pour les travaux de conception et de construction requis dans le cadre de l'exécution de l'accord initial, ainsi que le financement de l'art public d'un montant de 142 670 \$, comme le décrit le présent rapport.**

BACKGROUND

In June 2009, Council approved the [Fernbank Community Design Plan](#) and Transportation Master Plan. Robert Grant Avenue, also known as the Stittsville North South Arterial Road, is an arterial roadway that is an integral part of the overall development of the Fernbank Community Design Plan lands.

In September 8, 2010, the front-ending report ([ACS2010-ICS-PGM-0169](#)) of an adjacent portion of the Stittsville North South Arterial Road between Fernbank Road and Abbott Street was approved by Council and the road is currently in use. A further section of the Stittsville North South Arterial Road around Palladium Drive was approved by Council on December 11, 2019 ([ACS2019-PIE-PS-0120](#)) and the construction was recently completed. The current proposal of Robert Grant Avenue between Abbott Street East and Hazeldean Road represents another important segment of the total roadway infrastructure that will service the community of Stittsville.

The proposed segment of Robert Grant Avenue is listed within the 2013 Transportation Master Plan under [Road Network – 2031 Affordable Network](#) and is listed within the [2019 City-Wide Development Charges Background Study](#) as Stittsville North South Arterial (Abbott Street – Palladium Drive), project number 1.1344A4, with an estimated timeline of 2020 – 2024. The full project development charge project, which includes a portion beyond this project, has a listed gross project cost of \$49,462,650.

DISCUSSION

Fernbank Landowners Group Ltd. has submitted a front-ending application (D07-20-21-0001) to enter into a front-ending agreement with the City to allow for the design and construction of Robert Grant Avenue, also known as the North South Arterial Road, between Abbott Street East and Hazeldean Road in advance of the

Development Charges By-law schedule for these works. The costs have been identified as \$20,334,800 plus applicable taxes and indexing.

Robert Grant Avenue between Abbott Street East and Hazeldean Road is an important transportation link for the community of Stittsville and will also provide the required access for the adjacent subdivision at 5618 Hazeldean Road, commonly known as the Kizell Lands (D07-16-16-0020).

The ultimate configuration of Robert Grant Avenue is a four-lane arterial road with two segregated lanes in the middle to accommodate a bus rapid transit system. The current proposed front-ending project design is for an interim scenario with one lane in each direction to accommodate vehicle traffic. The lanes will be designed to accommodate the ultimate bus rapid transit system to limit throwaway costs. Sidewalks and off-street cycle lanes will also be located based on the ultimate configuration.

Upon the completion of the roadway construction and prior to public usage, the applicant will have to dedicate the roadway as part of the Kitzell Lands subdivision registration. If the subdivision is not ready to be registered, the applicant can prepare a reference plan and complete a road opening application and associated road opening agreement to dedicate the road parcel and open it for public use.

All front-ending agreements are subject to the front-ending principles noted in Document 1 and the Council approved front-ending policy noted in Document 2.

The public art contribution is based on the requirement outlined within the Public Art Policy approved by Council on October 28, 2015, where one percent of eligible municipal capital construction budgets of \$2 million or more from municipal construction budgets are designated for public art commissions. The public art commission will be located either at or adjacent to the project site.

Upon completion of the proposed works and fulfillment of the front-ending agreement conditions, the repayment of the cost of the works, subject to approval, is scheduled for an estimated \$5 million in 2023, with the remainder to occur in 2024.

RURAL IMPLICATIONS

There are no rural implications associated with the proposed front-ending project.

COMMENTS BY THE WARD COUNCILLOR

Councillor Gower provided the following comments:

“It’s hard to overstate the importance of Robert Grant Avenue to Stittsville’s transportation network. This 1.5-km portion will provide much-needed access to the growing Fernbank community, including the first contiguous sidewalk and cycle paths anywhere between Abbott and Hazeldean. When the road opens, it will also allow for more efficient routing of OC Transpo buses.

When the full project is completed, it will be the primary north-south route from Fernbank to the 417 for vehicles, buses, pedestrians, and cyclists. It will serve residents in Stittsville, Kanata, and Rideau-Jock. We will continue to work with City staff and stakeholders to advance construction on the remaining portion of Robert Grant Avenue north of Hazeldean Road as soon as possible.”

LEGAL IMPLICATIONS

There are no legal implications associated with implementing the report recommendations.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications associated with the proposed front-ending project.

ASSET MANAGEMENT IMPLICATIONS

The infrastructure installed through this front-ending application supports growth in the adjacent development areas and on a timeline that meets the needs of the growing community.

FINANCIAL IMPLICATIONS

The front-ending report and subsequent agreement are in accordance with the 2019 Development Charges Bylaw and the 2019 Development Charges Background Study.

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.

Robert Grant Avenue from Abbott Street East to Hazeldean Road

Development Charge Appendix E.1 Table 3 - Item Number 1.1.21 - Stittsville North South Arterial (Abbott Street – Palladium Drive) Project Number 1.1344A4	Cost Breakdown
A. Construction	\$14,267,000
B. 15% Engineering	\$2,140,050
C. 10% Project Management	\$1,426,700
D. 15% Contingency	\$2,140,050
E. Pond 1 Land Cost (Road Drainage Portion)	\$361,000
Sub-Total	\$20,334,800
F. City Sunk HST (1.76% of Sub-Total)	\$358,902
G. Public Art Contribution (1% of Construction Cost)	\$142,670
Total	\$20,835,362

Pending Council approval for the City to enter into the Front-Ending Agreement, a capital account will be established with budget authority of \$20,835,362, 95 per cent funded through development charges, with the remaining funding pre-committed against Transportation Planning's City-wide Tax Capital Budget allocation.

Upon completion of work and fulfilment of Front-Ending Agreement conditions, repayment of an estimated \$5 million is to occur in 2023, with the remainder to occur in 2024. The 2023 repayment is limited to the Hazeldean Road Intersection Modification works (including the associated project management and contingency costs), completed engineering design cost, and any city fees already collected as part of the front-ending agreement registration.

The \$142,670 for Public Art will be within the account to be used to fund the future

public art at or adjacent to the project site.

Estimated annual operating costs are \$49,000 beginning in 2024. Public Works will include the operating budget requirement in the 2024 Draft Operating Budget.

ACCESSIBILITY IMPACTS

All infrastructures will be designed in accordance with relevant regulations.

TERM OF COUNCIL PRIORITIES

This project addresses the following Term of Council Priorities:

- Integrated Transportation
- Thriving Communities

SUPPORTING DOCUMENTATION

Document 1 Front-Ending Agreement Principles

Document 2 Council Approved Front-Ending Policy

Document 3 Location Map

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. The Fernbank Road Landowners Group Ltd. is required to post 100 per cent securities for the full cost of the design and construction of the Robert Grant Avenue between Abbott Street East to Hazeldean Road, including all associated works, estimated at \$20,334,800 including engineering, project management and contingences plus applicable taxes.
2. The cost of the Robert Grant Avenue between Abbott Street East to Hazeldean Road to be funded, including all associated works, is estimated at \$20,334,800 including engineering, project management and contingences plus applicable taxes. All costs incurred shall be justified and include supporting invoices and payment certificates.
3. The City will reimburse Fernbank Road Landowners Group Ltd. after the works have been granted approval by the City. Reimbursement will take place once work is completed and accepted by the City, provided the applicant satisfies all requirements in accordance with the Council approved Front-Ending Policies in Document 2.
4. The repayment of construction costs for the Robert Grant Avenue, between Abbott Street East to Hazeldean Road 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-end 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-end 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

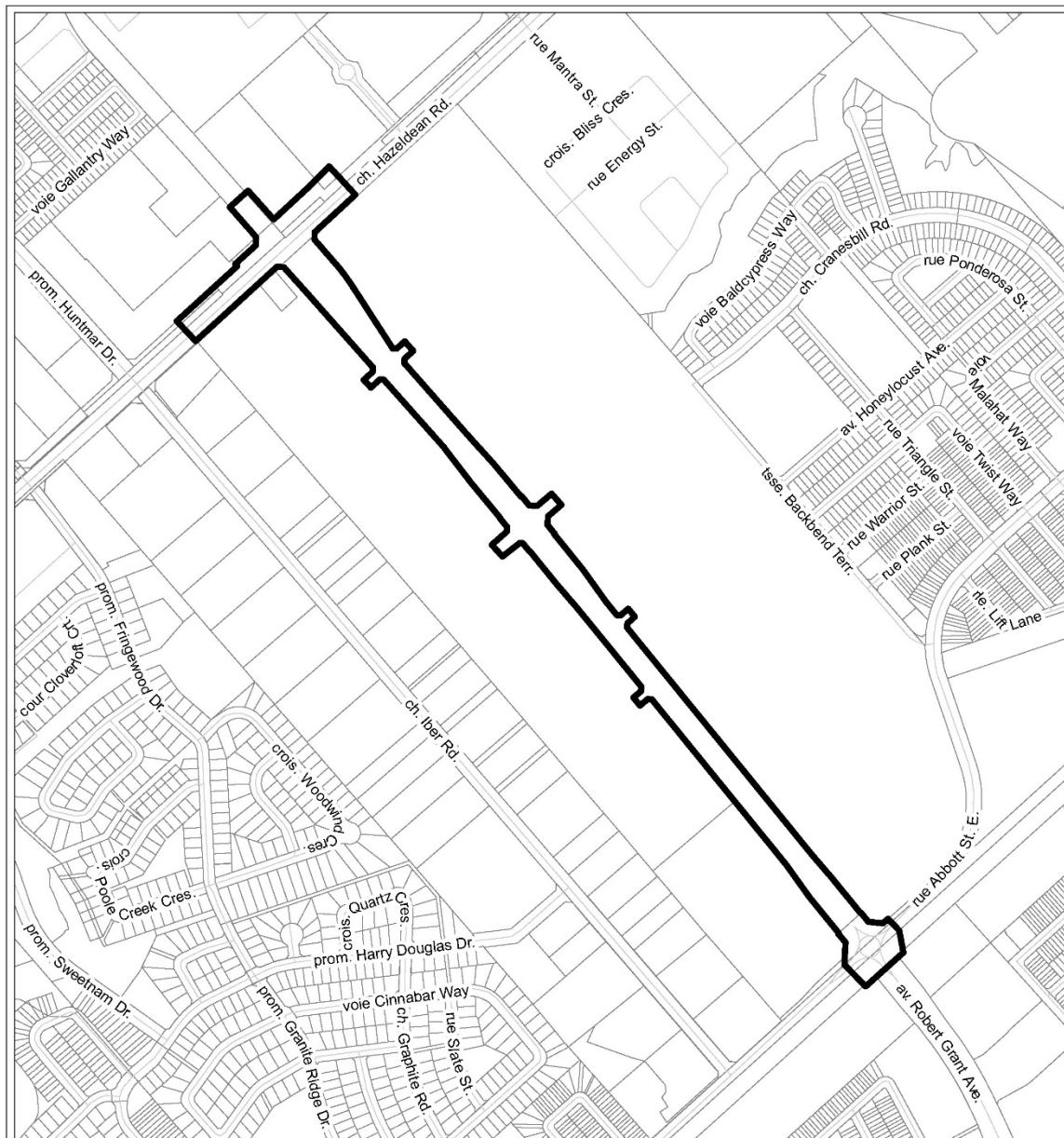
latter case will the City's portion of the payment be indexed beginning with the year the project was identified in the 10-year plan.

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-enders provides justification for the delay, and with the written concurrence of the City.

11. Where a front-enders 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



D07-20-21-0001

21-1532-L

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REVISION / RÉVISION - 2021 / 12 / 07

LOCATION MAP / PLAN DE LOCALISATION
FRONT ENDING AGREEMENT / ACCORD DE FINANCEMENT INITIAL



av. Robert Grant Ave.

