

**Subject: Front-Ending Report – Oversized Trunk Storm Sewers for Pond 1 in
the Leitrim Community**

File Number: ACS2022-PIE-PS-0089

Report to Planning Committee on 23 June 2022

and Council 6 July 2022

**Submitted on June 17, 2022 by Derrick Moodie, Director, Planning Services,
Planning, Real Estate and Economic Development**

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

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Ward: Gloucester-South Nepean (22)

**Objet : Entente préliminaire – collecteurs pluviaux à conduite
surdimensionnée pour le bassin 1 dans la communauté de Leitrim**

Dossier : ACS2022-PIE-PS-0089

Rapport au Comité de l'urbanisme

le 23 juin 2022

et au Conseil le 6 juillet 2022

**Soumis le 17 juin 2022 par Derrick Moodie, Directeur, Services de la planification,
Direction générale de la planification, des biens immobiliers et du développement
économique**

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

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Quartier : Gloucester Nepean-Sud (22)

REPORT RECOMMENDATIONS

That Planning Committee recommend Council approve the following:

- 1. Authorize the City and delegate authority to the General Manager, Planning, Real Estate and Economic Development Department, to enter into Agreements, which provide for the repayment of development charges eligible for the Oversized Trunk Storm Sewers for Pond 1 to an upset limit of \$13,441,000 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 oversizing costs pursuant to the execution of Agreements, to a maximum amount of \$13,441,000 plus applicable taxes and indexing for Oversized Trunk Storm Sewers for Pond 1, and in accordance with the reimbursement schedule set out in the Subdivision Agreements.**

RECOMMANDATIONS DU RAPPORT

Que le Comité de l'urbanisme recommande au Conseil :

- 1. d'autoriser la Ville et le directeur général, Direction générale de la planification, de l'immobilier et du développement économique, à qui les pouvoirs ont été délégués à cette fin, de conclure des accords de lotissement visant à rembourser les redevances d'aménagement admissibles pour les collecteurs pluviaux à conduite surdimensionnée pour le bassin 1 jusqu'à concurrence de 13 441 000 \$ plus les taxes et l'indexation établie en fonction de la politique et des principes relatifs aux ententes préalables, présentés dans les documents 1 et 2 et dont la forme finale et le contenu sont à la satisfaction de l'avocat général de la Ville.**
- 2. d'autoriser, aux fins du remboursement des coûts de la conduite surdimensionnée conformément à l'exécution des accords de lotissement, le versement d'un montant maximal de 13 441 000 \$ plus les taxes et l'indexation concernant les collecteurs pluviaux à conduite surdimensionnée pour le bassin 1, conformément au calendrier de remboursement établi dans les accords de lotissement.**

BACKGROUND

On February 14, 2018, Council approved the Front-Ending Agreement for Stormwater Management Ponds 1 and 2, Leitrim Road Storm Drainage System, North-South Swale and Oversized Trunk Storm Sewers in Leitrim Community ([ACS2018-PIE-PS-0005](#)).

The report recommended the adoption of the [Area-specific Development Charge Background Study and By-law for Leitrim Stormwater Facilities](#), as well as authorized the City to enter into a number of front-ending and subdivision agreements for the design and construction of stormwater management facilities in the Leitrim area.

DISCUSSION

In 2020 and 2021, Leitrim South Holdings Inc. (Regional Group) submitted two separate invoices to recover the oversizing costs for segments of storm sewers attributed to Pond 1 as part of its subdivision applications. However, during the review process, it was discovered by staff that there is insufficient budget authority remaining within Pond 1 Trunk Sewer account 907562 to fully reimburse the developer for oversizing costs incurred. Upon further investigation, it was found that an error was made in the 2018 staff report where Recommendation 7 had an incorrect reference of an upset limit of \$8,827,000 plus applicable taxes and indexing instead of the correct amount of \$13,441,000 plus applicable taxes and indexing. The purpose of this report is to seek Council authority to amend the upset limit to the correct amount.

This amendment has no impact on the development charges background study and by-law as the correct amount was referenced in the background study which is used to calculate the area-specific development charges. No changes were made to the respective items in the 2019 development charges background and by-law update.

Repayment

Upon completion of the proposed works and fulfillment of the front-ending agreement conditions, the repayment of the cost of works, subject to approval, will be reimbursed on a quarterly basis as revenues are collected through the Leitrim stormwater Area-Specific Development Charges. If there are multiple front-ending agreements in force in the same stormwater area-specific developments charges area, the front-ender will share in the distribution of development charges revenue on a pro-rata basis with other stormwater drainage projects.

RURAL IMPLICATIONS

There are no rural implications associated with report recommendations.

COMMENTS BY THE WARD COUNCILLOR

Councillor Meehan concurs with the recommendations.

LEGAL IMPLICATIONS

There are no legal impediments to the adoption of the recommendation in this report. Adoption of this report will lead to the resolution of on-going development charge matters before the Ontario Land Tribunal.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications associated with the report recommendations.

ASSET MANAGEMENT IMPLICATIONS

This report provides for the repayment of a previous front ending agreement through which infrastructure was constructed that will come to the city for maintenance and asset management.

FINANCIAL IMPLICATIONS

The front-ending report is in accordance with the 2019 Development Charges By-law and the 2019 Stormwater Management Area-Specific Development Charges Background Study.

Upset limits and cost breakdowns are shown below. Repayments are subject to fulfilment of the 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 without further Council approval.

Pond 1 Storm Sewers Oversizing

2019 Stormwater Management Area-Specific Development Charges Background Study Appendix B – Leitrim S-2 – Table 2 - Item Number S2-6 to S2-10	Budget Authority (Previously Approved Incorrect Amount)	Budget Authority (Amended Correct Amount)
Oversized Trunk Storm Sewers for Pond 1	\$8,827,000	\$13,441,000
City Sunk HST (1.76%)	\$155,355	\$236,562

Subtotal	\$8,982,355	\$13,677,562
Indexing Amount for 2021	\$323,778	\$323,778
Total	\$9,306,133	\$14,001,340

Pending Council approval, the budget authority for account 907562 Pond 1 Trunk Sewer will be increased to \$14,001,340.

Upon completion of the proposed works and fulfillment of the agreement conditions, the repayment of the cost of works, subject to approval, will be reimbursed on a quarterly basis as revenues are collected through the Leitrim stormwater Area-Specific Development Charges. If there are multiple front-ending agreements in force in the same stormwater area-specific developments charges area, the front-ender will share in the distribution of development charges revenue on a pro-rata basis with other stormwater drainage projects.

There is minimal annual operating impact associated with the sewer oversizing component.

ACCESSIBILITY IMPACTS

All infrastructure will be designed in accordance with relevant regulations.

TERM OF COUNCIL PRIORITIES

This project addresses the following Term of Council Priorities:

- Thriving Communities
- Sustainable Infrastructure

SUPPORTING DOCUMENTATION

Document 1 Front-Ending Agreement Principles

Document 2 Council Approved Front-Ending Policy

Document 3 Location Map

Document 4 Area-specific Development Charge Background Study for Leitrim Stormwater Facilities Schedule 3 (2018)

Document 5 Area-specific Development Charge Background Study for Leitrim
Stormwater Facilities Table 2 (2019)

DISPOSITION

Legal Services to prepare the final form of the agreements in consultation with the Planning, Real Estate and Economic Development Department.

The Chief Financial Officer to earmark funds for repayment as noted in this report.

Document 1 – Front-Ending Agreement Principles

1. Individual developers are required to post 100 percent securities for the Oversized Trunk Storm Sewers for Pond 1 as part of each subdivision applications.
2. The cost of the Oversized Trunk Storm Sewers for Pond 1 to be funded, including all associated works, is estimated at \$13,441,000 including contingences plus applicable taxes. All costs incurred shall be justified and include supporting invoices and payment certificates.
3. The City will reimburse individual developers after the works have been granted approval by the City. Reimbursement will take place on a pro-rated quarterly basis once work is completed and approved 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 Oversized Trunk Storm Sewers for Pond 1 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

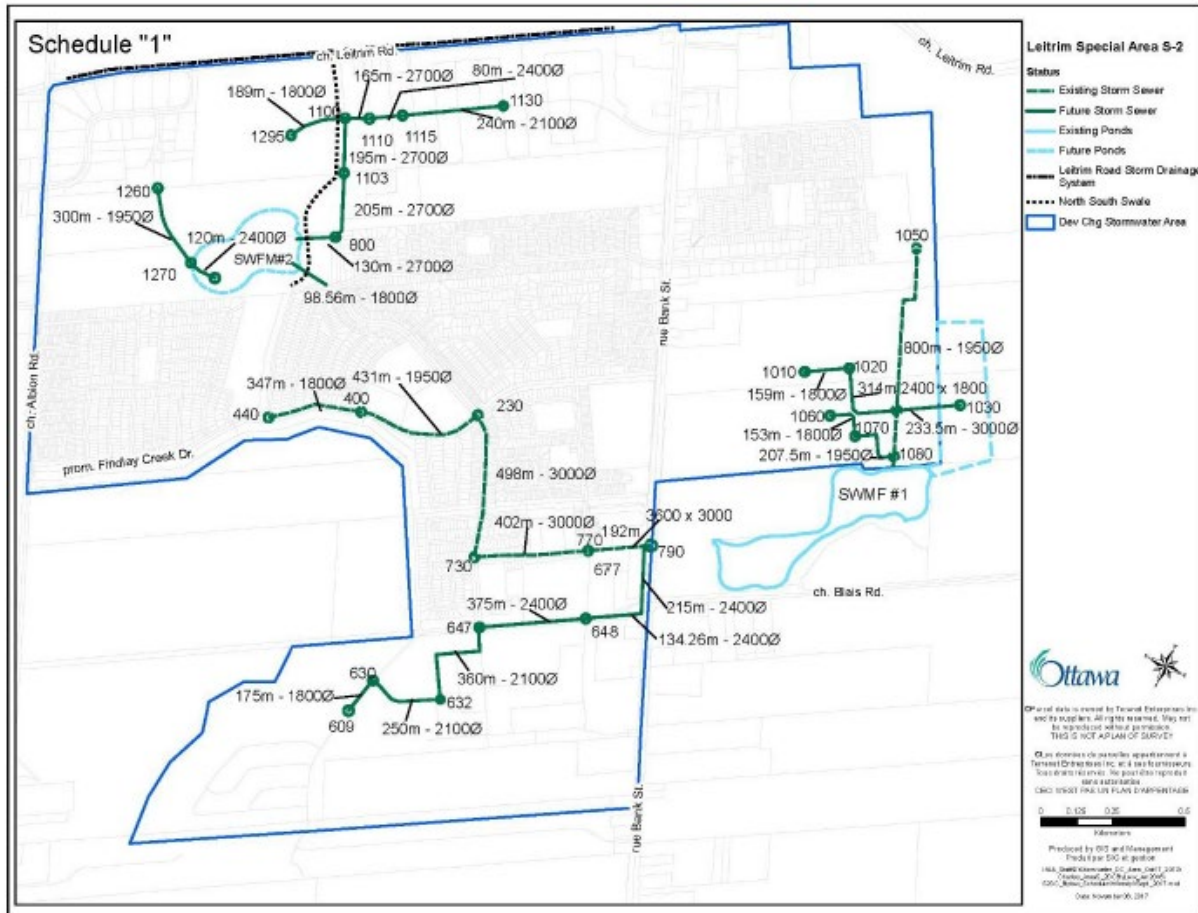
latter case will the City's portion of the payment be indexed beginning with the year the project was identified in the 10-year plan.

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



Document 4 - Area-specific Development Charge Background Study for Leitrim Stormwater Facilities Schedule 3 (2018)

Schedule 3: Stormwater Management Pond/Drainage System #2 SUC - Leitrim (Area S-2) Cost Information \$'000s								
Item No.	Project Description	Gross Capital Cost	Less:			Net Recoverable Capital Costs	73.70% Residential Share	26.30% Non-Residential Share
			Benefit to Existing Development	Grants & Other Contributions	Repayments			
S2-1	SWM Pond 1	11,613	0	0	11,613	0	0	0
S2-2	SWM Pond 1 Indexing Costs	759	0	0	692	67	49	18
S2-3	SWM Pond 1 Expansion	6,228	0	0	0	6,228	4,590	1,638
S2-4	SWM Pond 2	18,285	0	0	0	18,285	13,476	4,809
S2-12	North/South Swale	3,042	0	0	0	3,042	2,242	800
	Trunk Storm Sewers:							
S2-5	Leitrim Road Drainage System	2,219	0	0	0	2,219	1,635	584
S2-6	Trunk Storm Sewer Indexing	1,930	0	0	0	1,930	1,422	508
S2-7	Leitrim Storm Sewers on Tartan Lands	12,121	0	6,959	1,938	3,224	2,376	848
S2-8	Findlay Creek Drive Storm Sewers	3,454	0	2,945	0	509	375	134
S2-9	Storm Sewers on Tartan/Reimer Lands	7,034	0	4,279	0	2,755	2,030	725
S2-10	Storm Sewers East of Bank Street to Pond 1	8,827	0	5,742	0	3,085	2,274	811
S2-11	Storm Sewers to Pond 2	9,242	0	4,929	0	4,313	3,179	1,134
	SUBTOTAL	\$84,754	\$0	\$24,854	\$14,243	\$45,657	\$33,648	\$12,009
	Reserve Fund Balance					805	593	212
	TOTAL	\$84,754	\$0	\$24,854	\$14,243	\$44,852	\$33,055	\$11,797

Document 5 - Area-specific Development Charge Background Study for Leitrim Stormwater Facilities Table 2 (2019)

CITY OF OTTAWA
STORMWATER MANAGEMENT POND/DRAINAGE SYSTEM
LEITRIM - SOUTH URBAN CENTRE (AREA 5-2)
DEVELOPMENT-RELATED CAPITAL PROGRAM

Item No.	Project Description	2019 DC Recoverable costs	Replacement & BTE Shares		Prior Growth	DC Eligible Costs	Post-Period Benefit
			%	\$			
S2-2	Stormwater Pond 1 Indexing Costs - 903226	\$ -	0%	\$ -	\$ -	\$ -	\$ -
S2-3	Stormwater Pond 1 Expansion - 909283	\$ -	0%	\$ -	\$ -	\$ -	\$ -
S2-4	Stormwater Pond 2 - 907529	\$ 952,200	0%	\$ -	\$ -	\$ 952,200	\$ -
S2-12	North/South Swale - 909285	\$ 360,000	0%	\$ -	\$ -	\$ 360,000	\$ -
S2-5	Leitrim Road Drainage System - 909284	\$ -	0%	\$ -	\$ -	\$ -	\$ -
S2-6	Trunk Storm Sewer indexing - 907562	\$ -	0%	\$ -	\$ -	\$ -	\$ -
S2-7	Leitrim Storm Sewer on Tartan Lands - Oversizing - 907562	\$ -	0%	\$ -	\$ -	\$ -	\$ -
S2-8	Findlay Creek Drive Storm Sewer- Oversizing - 907562	\$ -	0%	\$ -	\$ -	\$ -	\$ -
S2-9	Tartan/Reimer Lands Storm Sewer - Oversizing - 907562	\$ -	0%	\$ -	\$ -	\$ -	\$ -
S2-10	Bank Street to Pond 1 - Storm Sewer - Oversizing	\$ 3,085,000	0%	\$ -	\$ -	\$ 3,085,000	\$ -
S2-11	Pond 2 Storm Sewers - Oversizing - 907535	\$ -	0%	\$ -	\$ -	\$ -	\$ -
247	Reserve Fund Balance - Committed ¹	\$ 32,816,401	0%	\$ -	\$ -	\$ 32,816,401	\$ -
TOTAL LEITRIM - SOUTH URBAN CENTRE (AREA 5-2)		\$ 37,213,601		\$ -	\$ -	\$ 37,213,601	\$ -

¹ Committed Active Capital Projects Outstanding Balance - 533,999,271

Residential Share of DC Eligible Cost	71%	\$	26,295,879
Non-Residential Share of DC Eligible Cost	29%	\$	10,917,722

Outstanding Balance	\$	33,999,271
Reserve Fund Balance	Uncommitted ¹	\$ (1,182,870)
Total (Balance Negative)	\$	32,816,401