

- 1. DELEGATION OF AUTHORITY – PLAN OF SUBDIVISION ARTERIAL AND MAJOR COLLECTOR ROAD MODIFICATIONS**
- DÉLÉGATION DE POUVOIR – MODIFICATIONS AUX PLANS DE LOTISSEMENT CONTENANT UNE INTERSECTION AVEC UNE ARTÈRE OU UNE ROUTE COLLECTRICE PRINCIPALE**

### **COMMITTEE RECOMMENDATIONS**

That Council:

1. delegate authority to the General Manager, Planning, Infrastructure and Economic Development Department to grant draft approval to a subdivision or permit a plan of subdivision to proceed to registration where the subdivision contains an intersection with a major collector or arterial road, and to provide for the reimbursement of the cost of design and construction of the intersection, and that this delegated authority be limited to:
  - a) intersections identified in the 2014 Background Study (as amended and adopted by Council);
  - b) reimbursement of up to \$950,000, exclusive of H.S.T., inclusive of traffic signalization for a standard, all movement intersection;
  - c) reimbursement of up to \$2,000,000, exclusive of H.S.T., for a roundabout;
2. approve that, upon completion of the works, reimbursement shall occur the later of either the year the intersection was forecast in the 2014 Background Study (as amended and adopted by Council) and 2018;
3. direct staff to:
  - a) identify in the 2018 Budget the amounts for which payments will be required in 2018, and
  - b) update the Intersection Control Measures program to align

with the Ontario Municipal Board rulings specific to the City of Ottawa.

### **RECOMMANDATIONS DU COMITÉ**

Que le Conseil :

1. délègue au directeur général, Direction générale de la planification, de l'infrastructure et du développement économique le pouvoir d'accorder une approbation provisoire pour un lotissement ou d'autoriser un plan de lotissement à passer au stade de l'enregistrement là où le lotissement contient une intersection avec une artère ou une route collectrice principale et de prévoir le remboursement des frais de conception et de construction de l'intersection, et que ce pouvoir délégué soit limité à ce qui suit :
  - a) les intersections décrites dans l'étude préliminaire de 2014 (dans sa version modifiée et adoptée par le Conseil);
  - b) le remboursement jusqu'à 950 000 dollars, excluant la TVH, et comprenant la signalisation routière pour une intersection standard omnidirectionnelle;
  - c) le remboursement allant jusqu'à 2 000 000 de dollars, excluant la TVH, pour un carrefour giratoire;
2. approuve qu'à la fin des travaux, le remboursement se fasse soit dans l'année où l'intersection était prévue dans l'étude préliminaire de 2014 (dans sa version modifiée et adoptée par le Conseil), soit en 2018, selon l'échéance la plus tardive;
3. demande au personnel :
  - a) de cerner dans le budget de 2018 les montants pour lesquels des paiements seront nécessaires en 2018; et
  - b) de mettre à jour le programme de mesures de contrôle des intersections afin de l'harmoniser avec les décisions de la

**Commission des affaires municipales de l'Ontario qui  
s'appliquent à la Ville d'Ottawa.**

**DOCUMENTATION / DOCUMENTATION**

1. Acting Director's report, Planning Services, Planning, Infrastructure and Economic Development Department dated 21 January 2017 (ACS2017-PIE-PS-0027)

Rapport de la Directrice par intérim, Services de la planification, Service de planification, d'Infrastructure et de Développement économique daté le 21 janvier 2017 (ACS2017-PIE-PS-0027)

**Report to  
Rapport au:**

**Planning Committee / Comité de l'urbanisme  
February 28, 2017 / 28 février 2017**

**and Council / et au Conseil  
March 8, 2017 / 8 mars 2017**

**Submitted on February 21, 2017  
Soumis le 21 février 2017**

**Submitted by  
Soumis par:**

**Lee Ann Snedden**

**Acting Director / Directrice par intérim**

**Planning Services / Service de la planification**

**Planning, Infrastructure and Economic Development Department / Services de la  
planification, de l'infrastructure et du développement économique**

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**Examen des projets d'aménagement sud**

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**Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE      File Number: ACS2017-PIE-PS-0027**

**SUBJECT: Delegation of Authority – Plan of Subdivision Arterial and Major  
Collector Road Modifications**

**OBJET: Délégation de pouvoir – Modifications aux plans de lotissement  
contenant une intersection avec une artère ou une route collectrice  
principale**

## **REPORT RECOMMENDATIONS**

**That Planning Committee recommend Council:**

- 1. Delegate authority to the General Manager, Planning, Infrastructure and Economic Development Department to grant draft approval to a subdivision or permit a plan of subdivision to proceed to registration where the subdivision contains an intersection with a major collector or arterial road, and to provide for the reimbursement of the cost of design and construction of the intersection, and that this delegated authority be limited to:
  - a) Intersections identified in the 2014 Background Study (as amended and adopted by Council);**
  - b) Reimbursement of up to \$950,000, exclusive of H.S.T., inclusive of traffic signalization for a standard, all movement intersection;**
  - c) Reimbursement of up to \$2,000,000, exclusive of H.S.T., for a roundabout;****
- 2. Approve that, upon completion of the works, reimbursement shall occur the later of either the year the intersection was forecast in the 2014 Background Study (as amended and adopted by Council) and 2018;**
- 3. Direct staff to:
  - a) Identify in the 2018 Budget the amounts for which payments will be required in 2018, and**
  - b) Update the Intersection Control Measures program to align with the Ontario Municipal Board rulings specific to the City of Ottawa.****

## **RECOMMANDATIONS DU RAPPORT**

**Que le Comité de l'urbanisme recommande au Conseil :**

- 1. de déléguer au directeur général, Direction générale de la planification, de l'infrastructure et du développement économique le pouvoir d'accorder une approbation provisoire pour un lotissement ou d'autoriser un plan de lotissement à passer au stade de l'enregistrement là où le lotissement contient une intersection avec une artère ou une route collectrice**

**principale et de prévoir le remboursement des frais de conception et de construction de l'intersection, et que ce pouvoir délégué soit limité à ce qui suit :**

- a) les intersections décrites dans l'étude préliminaire de 2014 (dans sa version modifiée et adoptée par le Conseil);**
  - b) le remboursement jusqu'à 950 000 dollars, excluant la TVH, et comprenant la signalisation routière pour une intersection standard omnidirectionnelle;**
  - c) le remboursement allant jusqu'à 2 000 000 de dollars, excluant la TVH, pour un carrefour giratoire;**
- 2. d'approuver qu'à la fin des travaux, le remboursement se fasse soit dans l'année où l'intersection était prévue dans l'étude préliminaire de 2014 (dans sa version modifiée et adoptée par le Conseil), soit en 2018, selon l'échéance la plus tardive;**
- 3. de demander au personnel de :**
- a) de cerner dans le budget de 2018 les montants pour lesquels des paiements seront nécessaires en 2018; et**
  - b) de mettre à jour le programme de mesures de contrôle des intersections afin de l'harmoniser avec les décisions de la Commission des affaires municipales de l'Ontario qui s'appliquent à la Ville d'Ottawa.**

## **BACKGROUND**

Amongst the appeals to the 2014 Development Charge By-law were appeals in respect of the cost of intersections between roads within subdivisions and major collectors/arterial roads. While the Development Charge Background Study, as adopted in 2014, provides for the reimbursement from development charges of signalization up to a maximum of \$200,000 for intersections between plans of subdivision and major collectors or arterial roads, the appellants - developers within the Fernbank area - sought reimbursement of the cost of the intersection inclusive of turning lanes and any associated works.

The position of the City was that intersections are a local service relating to a plan of subdivision even where they are constructed outside of the lands owned by the developer, and thus permitted to be imposed as a condition of subdivision approval with the intersections to be constructed at the cost of the developers. The Ontario Municipal Board, however, found that the intersections in question were off-site works within the meaning of the Background Study and were required to ensure that traffic flow continues along the arterial or major collector roads. The Ontario Municipal Board, therefore, held that the road improvements for the intersection, as well as traffic signalization, were eligible to be reimbursed by development charges.

## **DISCUSSION**

City staff, working in conjunction with a Sponsor's group and external consultant and in consultation with representatives of the development industry, are moving forward with an amendment to the Development Charge By-law to reflect amendments to the *Development Charge Act* in respect of transit and to incorporate the results of the Infrastructure Standards Review. It is anticipated that this amendment will be before Committee and Council in May 2017. From the viewpoint of the Development Charge By-law and Background Study, it would be desirable to address the outcome of the decision of the Ontario Municipal Board with respect to intersections in the May 2017 report. However in the interim, for staff to have the authority to proceed with draft approval or registration of a plan of subdivision, in addition to having the concurrence of the owner and the Ward Councillor, should the development of the subdivision require the expenditure of any City funds, such is also required to have been approved by Council. Thus, in light of the Ontario Municipal Board decision, for any subdivision with an intersection on a major collector or arterial road outside the plan, it is not possible for staff to grant draft approval or registration of a plan of subdivision at this time under delegated authority. Staff have identified 29 applications where either draft approval or registration could potentially occur before the end of June 2017, of which perhaps half or approximately 15 of these cases is likely to occur. For such subdivisions to be able to proceed, an interim process is required until the consideration of the Development Charge By-law amendment in May 2017.

### **Plans of Subdivision Implications**

As noted above, there are approximately 25 active applications for Plans of Subdivision that collectively include 29 intersection locations that staff is currently reviewing with respect to the implications of the recent Ontario Municipal Board rulings. Road modifications on arterial and major collector roads beyond providing safe, multi-modal

access for development sites, including the provision of intersection control measures such as traffic signals, roundabouts, and intersection turning lanes, will now need to be funded exclusively through the Development Charge By-law rather than by the City, in respect of traffic signalization, and by individual development proponents for the balance of the costs. This has significant ramifications in terms of implementation timing for these types of road modifications, including impacts to Development Charge-funded programs such as the Intersection Control Measures Program and the Network Modification Program. Since using development charge funds requires Council approval, these types of road modifications will require the appropriate budget authority in order to proceed. In limited instances, budget authority has already been approved and the road works will proceed as planned and co-ordinated with the proposed development. For the majority of other applications, either a Front-Ending Agreement or front-ending provisions incorporated into a Subdivision Agreement is a potential course of action to ensure co-ordination with development opportunities, provided that funds have been identified and are available pursuant to the Development Charge By-law and Background Study. The City will still require development charge funded projects to meet the required warrants before reimbursement of works can occur. Temporary infrastructure (works that are not deemed to be in their ultimate location – “throw-away costs”) required to facilitate a proposed development will not be reimbursable. The remaining road works that do not have budget authority and that are not eligible for a Front-Ending Agreement cannot proceed until such time that Development Charge funds become available and the works are incorporated into the Background Study.

### **Development Charge By-law Implications**

As part of the Development Charge By-law update, scheduled for Council approval consideration in May 2017, the forecasted project cost estimates for the Intersection Control Measures Program will need to be adjusted to include the full costs of intersection turning lanes and, in some cases, property requirements. It is anticipated that there will be significant budget pressure to proceed with these projects through both the annual budgeting process and via Front-Ending Agreements that commit Development Charge expenditures in future years. Since Front-Ending Agreements for these road works require funds to be identified in the Development Charge By-law, staff will review the process for a more generic application of the required works in the Development Charge By-law (similar to the existing water and sewage over-sizing Development Charges program that is currently in place), for consideration by Council as part of the up-coming Development Charge amendment in May 2017.



As part of an interim approach to permit plans of subdivision to proceed to draft approval or registration pending the May 2017 report, staff are recommending that the intersection must have been identified in the 2014 Background Study, as amended and adopted by Council. The 2014 Background Study contains a list of intersections with roads in Plans of Subdivisions that was subject to public review and then approved by Council. With respect to the need for any intersections that have been identified since the adoption of the background study, such can be addressed in the May 2017 revision. The amounts to be reimbursed would be limited to \$950,000 for an intersection and \$2,000,000 for a roundabout. In the opinion of staff, these are a reasonable estimate of costs for such works. These amounts will be reviewed further for the May 2017 report. The amounts would be reimbursed at the later of 2018 and the year the intersection was forecast in the Development Charge Background Study. As these intersection works, other than signalization, represent new expenditures of development charge funds, it will be necessary to incorporate them into Council's budget process. Thus, the cost of the intersections would be reimbursed no earlier than 2018. For intersections forecast for construction later than 2018, reimbursement would not occur earlier than the forecast year of construction (in accordance with existing policy). Subject to the direction of the General Manager, Planning, Infrastructure and Economic Development, the provisions governing the reimbursement would either be incorporated into a subdivision agreement or a separate Front-Ending Agreement.

### **Staffing Implications**

It is anticipated that there may be a need for additional staff resources in Transportation Services Department (Transportation Planning and Engineering) and Planning, Infrastructure and Economic Development Department (Planning Services) to help manage the Intersection Control Measures and Network Modification programs. The Intersection Control Measures program will require a significant increase in development charge funding to account for the full costs of intersections, including turning lanes. This may require additional project management where a Front-Ending Agreement is needed. This will be further reviewed and discussed in the May 2017 Development Charge By-law amendment report.

### **RURAL IMPLICATIONS**

There are no current applications for plans of subdivision in the rural areas of the City of Ottawa that would require intersection modifications funded through development charges prior to May 2017. Future plans in the rural area incorporating an intersection on a major collector or arterial road with turning lanes will result in road modifications

that also need to be fully funded through the Development Charge By-law. This would include intersection turning lanes, which can be costly given existing ditches and grading associated with rural road cross-sections.

### **COMMENTS BY THE WARD COUNCILLORS**

This is a City wide project – not applicable.

### **LEGAL IMPLICATIONS**

The result of the Ontario Municipal Board decision is that where a plan of subdivision has an intersection with an external major collector or arterial road, the costs of the intersection (or roundabout) are to be funded by development charges. Thus, the approval of a plan of subdivision with such an intersection creates a financial obligation on the part of the City to reimburse the developer. The Delegation of Authority By-law does not permit staff to approve a plan associated with a financial obligation unless Council approval for that obligation has been obtained.

This report will permit approvals of plans of subdivision to continue on an interim basis until Council considers the development charge background study and report in May, 2017.

### **RISK MANAGEMENT IMPLICATIONS**

There are no risk management implications associated with the recommendations of this report.

### **ASSET MANAGEMENT IMPLICATIONS**

Road modifications will continue to meet or exceed all municipal, provincial and federal legislation, policies and guidelines.

### **FINANCIAL IMPLICATIONS**

The City will use a cash flow methodology in order to make the calculation of the revised development charge rates as clear and transparent as possible. The key financial assumptions that are required in making the updated calculation in this case are as follows: capital cost inflation and indexing 2%/year; reserve fund earnings ratio 3%/year and carrying costs of 5.5%/year; consistent with the allocations made in 2014 Background Study.

The timing of the increased capital expenditures continues to reflect “front-end loaded” growth-related expenditures (see chart) occurring much earlier than what would have been anticipated within the 17 year planning horizon. The cash flow calculation methodology will also address the uncommitted deficit in the reserve fund, which is currently \$7.6M.

The overall cashflow of the development charges reserve fund will be monitored annually by the Treasurer to ensure that the expected revenues are received. If a significant funding discrepancy is expected to continue, modifications may be required to the overall level of expenditures and the timing of the capital program.

<b>Impact of OMB Decision on Various DC Rates</b>				
<b>DC Rate Changes by Area/Type</b>	<b>Total Impact of Changes on DC Rates Based on OMB Decision <sup>1</sup></b>	<b>Total Intersections Impacted on an Interim Basis</b>	<b>Total Intersections Impacted by OMB Decision</b>	<b>Revised Impact of Changes on DC Rates Based on OMB Decision <sup>1</sup></b>
Inside Greenbelt (per SDU)	\$13	23	39	\$8
Outside Greenbelt (per SDU)	\$535	23	39	\$316
Rural (per SDU)	\$68	23	39	\$40
Non-industrial (per sq.ft.)	\$0.19	23	39	\$0.11
Industrial (per sq.ft.)	\$0.07	23	39	\$0.04

<sup>1</sup> Exclusive of carrying costs

## **ACCESSIBILITY IMPACTS**

Road modifications will continue to meet or exceed all municipal, provincial and federal legislation, policies and guidelines.

## **TERM OF COUNCIL PRIORITIES**

The work summarized in this report is supportive of the Term of Council Priorities for Transportation and Mobility.

## **DISPOSITION**

Upon Council approval of this report, staff will review all active applications for plans of subdivision to ensure that arterial and major collector road modifications comply with the recent Ontario Municipal Board decision rulings regarding Development Charge funds for road modifications. Staff will also proceed with updating the project cost estimates for the Development Charge Intersection Control Measures program, including a review of supporting annual budget forecasts.