

3. Front-Ending Report – Design and Construction of the Stittsville North South Arterial Road within the 195 Huntmar Drive Subdivision

Rapport d'entente préalable – Conception et construction de l'artère nord-sud de Stittsville dans le lotissement situé au 195, promenade Huntmar

Committee recommendations

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 2325483 Ontario Inc. for the design and construction of the Stittsville North South Arterial Road within the 195 Huntmar Drive subdivision as outlined in this report, to an upset limit of \$10,161,382 plus applicable taxes and indexing, in accordance with the Front-Ending Agreement Principles and Policy set forth in Documents 1 and 2 and with the final form and content being to the satisfaction of the City Clerk and Solicitor;**
- 2. authorize the financial disbursement to reimburse the design and construction costs incurred by 2325483 Ontario Inc. pursuant to the execution of the Front-Ending Agreement;**
- 3. authorize the creation of a budget for the design and construction work required per the Front-Ending agreement;**
- 4. authorize the pre-committal of \$10,161,382 plus applicable taxes and indexing (the upset limit of the Front-Ending Agreement) from the 2022 Capital Budget/Development Charges Forecast subject to execution of the Front-Ending Agreement;**
- 5. authorize the expenditure of \$10,161,382 plus applicable taxes and indexing (upset limit) in accordance with the reimbursement schedule set out in the Front-Ending Agreement.**

Recommandations du Comité

Que le Conseil :

1. autorise la Ville à conclure une entente préalable avec 2325483 Ontario Inc., 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'artère nord-sud de Stittsville dans le lotissement situé au 195, promenade Huntmar, comme le décrit le présent rapport, jusqu'à concurrence de 10 161 382 \$, 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 du greffier municipal et de l'avocat général;
2. autorise la sortie des fonds nécessaires au remboursement des coûts de conception et de construction engagés par 2325483 Ontario Inc. dans le cadre de l'exécution de l'entente préalable;
3. autorise la création d'un budget pour les travaux de conception et d'installation requis dans le cadre de l'exécution de l'entente préalable;
4. autorise l'engagement préalable d'une somme de 10 161 382 \$, taxes applicables et indexation en sus (la limite maximale de l'entente préalable), provenant du budget d'immobilisations de 2022 et des prévisions de redevances d'aménagement, sous réserve de l'exécution de l'entente préalable;
5. autorise la dépense de 10 161 382 \$, taxes applicables et indexation en sus (la limite maximale de l'entente préalable), conformément au calendrier de remboursement fixé dans l'entente préalable.

Documentation/Documentation

1. Director's report, Planning Services, Planning, Infrastructure and Economic Development Department, dated November 18, 2019 (ACS2019-PIE-PS-0120)

Rapport de la Directrice, Services de la planification, Direction générale de la planification, de l'infrastructure et du développement économique, daté le 18 novembre 2019 (ACS2019-PIE-PS-0120)

2. Extract of draft Minutes, Planning Committee, November 28, 2019

Extrait de l'ébauche du procès-verbal du Comité de l'urbanisme, le 28 novembre 2019

**Planning Committee
Report 17
December 11, 2019**

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**Comité de l'urbanisme
Rapport 17
le 11 décembre 2019**

**Report to
Rapport au:**

**Planning Committee / Comité de l'urbanisme
November 28, 2019 / 28 novembre 2019**

**and Council / et au Conseil
December 11, 2019 / 11 décembre 2019**

**Submitted on November 18, 2019
Soumis le 18 novembre 2019**

**Submitted by
Soumis par:**

**Lee Ann Snedden
Director / Directrice**

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

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Ward: STITTSVILLE (6)

File Number: ACS2019-PIE-PS-0120

**SUBJECT: Front-Ending Report – Design and Construction of the Stittsville
North South Arterial Road within the 195 Huntmar Drive Subdivision**

**OBJET: Rapport d'entente préalable – Conception et construction de l'artère
nord-sud de Stittsville dans le lotissement situé au 195, promenade
Huntmar**

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 2325483 Ontario Inc. for the design and construction of the Stittsville North South Arterial Road within the 195 Huntmar Drive subdivision as outlined in this report, to an upset limit of \$10,161,382 plus applicable taxes and indexing, in accordance with the Front-Ending Agreement Principles and Policy set forth in Documents 1 and 2 and with the final form and content being to the satisfaction of the City Clerk and Solicitor;
2. Authorize the financial disbursement to reimburse the design and construction costs incurred by 2325483 Ontario Inc. pursuant to the execution of the Front-Ending Agreement;
3. Authorize the creation of a budget for the design and construction work required per the Front-Ending agreement;
4. Authorize the pre-committal of \$10,161,382 plus applicable taxes and indexing (the upset limit of the Front-Ending Agreement) from the 2022 Capital Budget/Development Charges Forecast subject to execution of the Front-Ending Agreement;
5. Authorize the expenditure of \$10,161,382 plus applicable taxes and indexing (upset limit) in accordance with the reimbursement schedule set out in the Front-Ending Agreement;

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 2325483 Ontario Inc., 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'artère nord-sud de Stittsville dans le lotissement situé au 195, promenade Huntmar, comme le décrit le présent rapport, jusqu'à concurrence de 10 161 382 \$, 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 du greffier municipal et de l'avocat général;**
- 2. Autoriser la sortie des fonds nécessaires au remboursement des coûts de conception et de construction engagés par 2325483 Ontario Inc. dans le cadre de l'exécution de l'entente préalable;**
 - 3. Autoriser la création d'un budget pour les travaux de conception et d'installation requis dans le cadre de l'exécution de l'entente préalable;**
 - 4. Autoriser l'engagement préalable d'une somme de 10 161 382 \$, taxes applicables et indexation en sus (la limite maximale de l'entente préalable), provenant du budget d'immobilisations de 2022 et des prévisions de redevances d'aménagement, sous réserve de l'exécution de l'entente préalable;**
 - 5. Autoriser la dépense de 10 161 382 \$, taxes applicables et indexation en sus (la limite maximale de l'entente préalable), conformément au calendrier de remboursement fixé dans l'entente préalable.**

BACKGROUND

The design and construction of the Stittsville North South Arterial Road and the realignment of Palladium Drive will be a condition of draft approval for the proposed 195 Huntmar Drive subdivision (D07-16-16-0011). The purpose of the road construction and realignment is to provide access to the proposed 195 Huntmar Drive subdivision development, located west of Huntmar Drive and south of Highway 417, and is within the Kanata West Concept Plan (August 2002). The latest submitted draft plan for the 58-hectare mixed-use subdivision consists of approximately 714 residential units, 11 hectares of commercial and employment lands, a future Ottawa-Carleton District School Board high school and the future Kanata-West district park. The subdivision application was submitted in July 2016 and is now approaching draft approval.

The proposed road configuration was developed through the integrated Kanata West Concept Plan process and is also identified on the City's Official Plan as well as the Transportation Master Plan's Road Network – 2031 Affordable Network. Through the

195 Huntmar subdivision application, the alignment was further defined in working with the Ministry of Transportation and through the City's Transportation Impact Assessment process. A roundabout was selected as the preferred intersection control for this location but is subject to further design refinement. Given that the subdivision currently has no other means of road access, the developer (2325483 Ontario Inc.) must enter into a Front Ending Agreement with the City to build this roadway to allow for this subdivision to proceed.

The 2019 City-Wide Development Charges Background Study includes this project budget within its 2020-2024 horizon year for development and is listed as Project Item 1.1344A4 - Stittsville North South Arterial (Abbott – Palladium Drive). The full arterial road has a listed gross project cost of approximately \$49.46 million. This front-ending request only involves portion of the Stittsville North South Arterial between Palladium Drive and the first roundabout within the proposed 195 Huntmar Drive subdivision. The Palladium Drive realignment portion is also a part of the overall Stittsville North South Arterial project as confirmed by transportation planning.

2325483 Ontario Inc. has submitted a Front Ending application (D07-20-19-0003) to enter into a Front-Ending Agreement with the City of Ottawa to allow for the design and construction of the Stittsville North South Arterial and Realignment of Palladium Drive in advance of the Development Charges By-law schedule for these works. These costs have been identified as \$10,161,382 plus applicable taxes and indexing with payment occurring in 2022.

DISCUSSION

The Stittsville North South Arterial and Realignment of Palladium Drive is a requirement for the development of the plan of subdivision to permit access. The proposed roadway and roundabout are considered an Arterial Roadway and is therefore a Development Charge recoverable item.

The proposed Stittsville North South Arterial and Realignment of Palladium Drive [Development-Related Capital Program Road work, Project Number 1.1344A4] is included in the City of Ottawa 2019 Development Charges Background Study.

2325483 Ontario Inc. is requesting to front-end the cost of the road works on the arterial roads including the roundabout. The Total Development Charge Project Costs (Growth) for the design and construction within the Stittsville North South Arterial is

\$10,161,382 plus applicable taxes and indexing but excludes a 1.76 per cent SUNK HST portion the City does not recover and is directly attributed to the project costs.

All Front-Ending Agreements are subject to the Front-Ending principles noted in Document 1 and Council approved Front-Ending policy noted in Document 2.

The City of Ottawa will schedule the repayment of the cost of the works, subject to approval, for the 2022 year.

RURAL IMPLICATIONS

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

CONSULTATION

All development approvals were conducted according to the requirements of the *Planning Act* and the City's Public Notification and Consultation Policy. The front-ending entities agree to the process outlined herein.

COMMENTS BY THE WARD COUNCILLORS

Councillor Gower is aware of this report.

LEGAL IMPLICATIONS

There are no legal implications of this report's recommendation. Subject to Council approval, the City will be entering into a standard Front-Ending Agreement with the developer to front end the design and construction of the Stittsville North South Arterial Road and the realignment of Palladium Drive between Palladium Drive to the first roundabout within the proposed 195 Huntmar Drive subdivision.

RISK MANAGEMENT IMPLICATIONS

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

ASSET MANAGEMENT IMPLICATIONS

The recommendations documented in this report are consistent with the City's Comprehensive Asset Management (CAM) Program (City of Ottawa Comprehensive Asset Management Program) objectives.

The proposed Stittsville North South Arterial Road and realignment of Palladium Drive [Development-Related Capital Program Road work, Project Number

1.1344A4] is included in the City of Ottawa 2019 Development Charges Background Study. By entering into a Front-Ending Agreement with 2325483 Ontario Inc. for the proposed arterial roads and roundabout, it will support a level of service expectation and what needs to be done to achieve those levels and provide for future growth.

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. Repayment is 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. All City fees and review costs are included in the total amount of the Development Charge Project Costs. 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.

Palladium Drive extension (including Turning Circle)

Development Charge Appendix ***, Table * - DC Project Number 1.1344A4	Stittsville North South Arterial Road and realignment of Palladium Drive
A. Construction	\$7,258,130
B. 15% Engineering	\$1,088,719
C. 10% Project Management	\$725,813
D. 15% Contingency	\$1,088,719
Sub-Total	\$10,161,382
D. City Sunk HST (1.76)	\$178,840
Total	\$10,340,222

Pending Council approval for the City to enter into the Front-Ending Agreement, a capital account will be established with budget authorities of the upset limit,

95% will be funded by development charges, with the remaining funding pre-committed against the 2022 Transportation Services Capital Budget allocation.

ACCESSIBILITY IMPACTS

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

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications with the front ending of this Arterial Roadway and Roundabout.

TERM OF COUNCIL PRIORITIES

This project addresses the following Term of Council Priorities:

- C2 – Enable the achievement of our short- and long-term success
- ES1 – Support an environmentally sustainability.

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. 2325483 Ontario Inc. is required to post 100 per cent securities for the full cost of the design and construction of the Stittsville North South Arterial Road and realignment of Palladium Drive, including all associated works, estimated at **\$10,161,382** including engineering, project management and contingences plus applicable taxes.
2. The cost of the Stittsville North South Arterial Road and the realignment of Palladium Drive, including all associated works, estimated at **\$10,161,382** 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 2325483 Ontario Inc. after the works have been granted approval by the City. Reimbursement will take place in 2022, 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 Stittsville North South Arterial Road and realignment of Palladium Drive shall be pursuant to Council-approved Front-Ending Agreement Policy as referenced under Document 2.
5. Contingency costs are for increased costs for additional construction costs and can include 15% of this increase of cost for Engineering and 10% in the increase of cost for Project Management.

Document 2 – Council Approved Front-Ending Policy

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

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

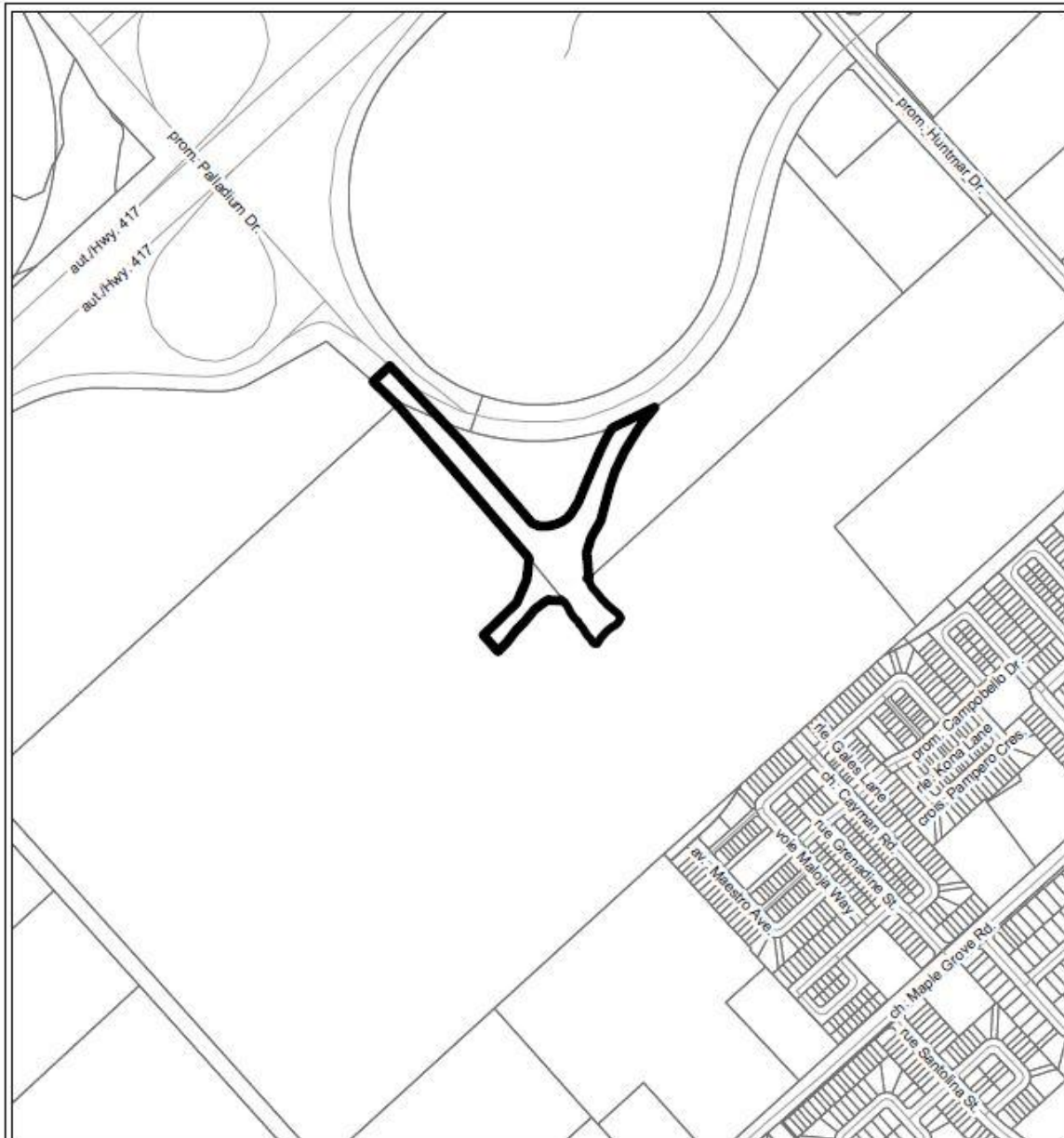
City will have an additional one to three years (one to three years from the year the project was identified in the 10-year plan) to make repayments. Only in this latter case will the City's portion of the payment be indexed beginning with the year the project was identified in the 10-year plan.

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

10. Indexing shall apply to the total project costs if the front-ended works have been delayed over a period of time; the front-ender provides justification for the delay, and with the written concurrence of the City.
11. Where a front-ender is eligible for development charge reimbursement, documentation is required to support the reimbursement in accordance with the City's Purchasing Policy. The Front-Ending Agreement shall identify at which stage the documentation shall be required. The following documentation shall be forwarded to the City before payment is issued:
 - An invoice summarizing the front-ended works, and separate cost items, if applicable, for land, construction costs, engineering fees, project management fees, contingency fees, and applicable taxes.
 - Payment Certificates, including the final certificate, signed by the developer's civil engineer.
 - All invoices supporting re-payment for the front-ended works.
 - Statutory Declaration.
 - Certificate of Substantial Performance.
 - Workplace Safety and Insurance Board Clearance Certificate (WSIB).
 - Certificate of Publication.
12. A report to Council is required to authorize staff to enter into a Front-Ending Agreement. The recommendation will include the financial commitment of the City, specify the funding source(s), the project timeline and where necessary, request that a specific deferred revenue account be established. The financial comment in the report will specify the timelines for the repayment, an operating budget impact and an estimate of the year in which the operating budget impact will begin. It should also indicate the year in which the project was originally identified in the City's 10-year capital plan. A capital project will be established upon Council approval to enter into a Front-Ending Agreement. The status of these projects will be provided to Council on a yearly basis.
13. No capital project identified outside of the Council approved 10-year long range capital plan, shown in the Development Charge Background Study is eligible to

be front-ended unless another item(s) of comparable value, funding allocation, and timing is delayed. A capital project identified with a post-period deduction applied to the gross cost will only have the development charge portion reimbursed if front-ended over the term of the by-law. Indexing would not be applicable to the repayment of the post-period component of the project cost. If growth occurs more slowly than forecasted, then the City Treasurer will have the authority to add an additional three years, without interest, to the repayment of the post-period component of the front-ended project from development charges.

Document 3 – Location Map



		LOCATION MAP / PLAN DE LOCALISATION SITE PLAN / PLAN D'EMPLACEMENT	
D07-20-19-0003	19-0840-X		
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