

Staff Report to Council

Title: Front End Agreements Summary

Report Number: Development Services-2024-04

Director: Infrastructure & Development

Manager: Development Services

Meeting Date:
Wednesday, February 14, 2024

Date to be considered by Council:
Wednesday, February 14, 2024

Recommendation:

That Council receive report Development Services-2024-04 for information purposes.

Executive Summary:

The Municipality has been actively working with developers and participating in servicing upgrades to support a number of development sites. Given the financial commitments and further that there are two other considerations being reviewed currently related to Russell St. improvements and Kincardine Ave. servicing, staff have prepared a summary overview of our financial commitments to the current and proposed front ended agreements.

Strategic Priorities:

A.2-Improve investment readiness

B.5-Evaluate and proactively plan for infrastructure to meet population growth and long-term sustainability

Financial Considerations:

Development agreements, Front ending agreements and Area Specific Development Charges have been used to recover costs associated with the various projects. The below Front End Funding Overview summarizes costs incurred and/or remaining balances to break even from various projects. To date, the municipality has invested over \$2.8 million in servicing costs to be recovered from future development. These costs have been paid for through a combination of wastewater development charges, internal borrowing, and external borrowing.

Policy:

N/A

Context and Background Information:

The Municipality has made investments in several projects to upgrade Municipal servicing to support a variety of developments. The initial project supported the West Ridge On the Lake site with upgrades to the Connaught Park sewage pumping station and collection system. Following that, works to support development at the OPF Lands off Gary Street and the 9/21 Business Park were completed. Most recently, an agreement was entered into for upgrades to Mt. Forest Avenue to support development lands adjacent to the road allowance.

Staff are currently working with the MTO for upgrades to the Russell Street intersection and with a variety of benefiting landowners to extend water and sanitary servicing across Highway 21 along the Kincardine Ave corridor. The works related to Russell Street are being presented in a separate staffing report for Council's consideration while the Kincardine Ave servicing is working toward a draft agreement to present to the benefiting landowners and eventually return to Council for consideration in the near future.

Given the volume of agreements and front-end costs by the Municipality staff are providing Council with an overview of the financial commitments:

Project	Project Year	Amount to be recovered from future development	Cost Recovery Method	Interim funding source	Cost Recovery Timing
Connaught Park Sewage Pumping Station Upgrades	2018	\$86,026	Wastewater DC's	Internal Borrowing (Sewer RF)	2024
OPF Lands Servicing	2018	\$754,500 ¹	ASDC's	Internal Borrowing (Sewer RF)	Unknown
9/21 Business Park	2020	\$1,826,000 (up to \$4.25 million)	ASDC's	External Borrowing	Unknown
Mt. Forest Reconstruction	2024	\$577,250	Developer Contributions	Reserve Funds/ Internal Borrowing	2024
Russell St. Improvements	2024	\$1,000,000	ASDC's and/or Developer Contributions	New External Borrowing	Unknown and/or possibly 2024
Kincardine Ave. Servicing	2024	\$2,165,860	Developer Contributions	New External Borrowing	2024 - \$680K Balance unknown

NOTE

1. OPF Land Servicing - \$94,158 remains for internal repayment as property taxation from the Bruce Power MCR facility has temporarily been used to address the internal borrowing.

Consultation Overview:

Internal discussions with senior management.

Origin:

Multiple development agreements brought forth to Council; staff driven to provide full context on historical investments and commitments.

Implementation Considerations:

The developments and servicing have been completed to drive growth.

Risk Analysis:

Existing development lands have been serviced and funded by the Municipality; without development the Municipality assumes stranded debt.

Attachments: N/A

Prepared by: Adam Weishar, Director of Infrastructure & Development

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