

Committee of the Whole (Working Session) Report

DATE: Wednesday, June 8, 2022

WARD(S): ALL

TITLE: COST SHARING

FROM:

Vince Musacchio, Deputy City Manager, Infrastructure Development

ACTION: FOR INFORMATION

Purpose

To provide members of council with information supporting the continued reliance of landowners entering into cost sharing agreements which promote the timely and efficient implementation of infrastructure and help facilitate the City's master planning process.

Report Highlights

- Cost sharing allows for the equitable sharing of land and infrastructure required to facilitate the delivery of communities through the master planning process.
- City policies are in place to encourage cost sharing opportunities for communities that require major infrastructure and community benefitting land uses to support development.
- Cost sharing has been implemented in the City of Vaughan since the 1990's (ie. Woodbridge Expansion Area, and more recently in the Vaughan Metropolitan Centre (VMC) and other city Blocks including Blocks 34 and 59.
- City agreements include reasonable efforts to impose cost sharing recoveries.

Recommendations

1. That this report be received for information.

Background

Cost sharing helps to facilitate the City's master planning process and allows for efficient planning of communities and implementation of infrastructure.

Cost sharing was applied as early as the 1990's where developers worked together to ensure the seamless and efficient delivery of the City's master planning process.

An early example of this was the Woodbridge Expansion Area where multiple developers advanced the infrastructure requirements and community needs in support of the City's vision in addition to many of the built-out blocks in Vaughan today that followed. This process enabled the efficient planning, engineering and operational needs which allowed the equitable sharing of costs (land & construction) across the developments.

Cost sharing continues to be a tool to ensure the appropriate, well managed and coordinated approach to city building in conjunction with Region of York projects as well that are impacted by development in the city and provides for a seamless transition between both levels of government and external stakeholders.

The City has policies in place to encourage cost sharing opportunities for infrastructure to support development of communities.

Most Secondary Plans include policy language encouraging cost sharing opportunities to support the development of communities. Section 10.1.1.8 of the VOP 2010 states that in evaluating development applications throughout the Secondary Plan Area, the City shall consider the expected financial requirements for such public infrastructure, and the appropriate financial contributions from benefiting landowners where applicable.

Section 10.1.1.18 speaks to the requirement for comprehensive landowner agreements to implement the financial requirements for growth related infrastructure and community services that are to be provided without adverse impact on the City's financial capability. This may require front-end financing agreements to advance the timing for the required infrastructure, to address any acceleration in associated costs, and to implement a fair and equitable sharing of the costs of providing the required infrastructure and community facilities. This also facilitates the opportunity to properly size infrastructure to accommodate expected future external capacity requirements due to new development and intensification and reducing the chance of having to reconstruct newer roads & servicing infrastructure to accommodate growth as it is realized through new development.

Sections 10.1.1.17 provides that the City shall establish the specific requirements for the studies required to address the specific concerns of the Block Plan area in consultation with development proponents and public agencies with an interest in the lands prior to the commencement of the Block Plan process. The costs associated with these studies and the preparation of Block Plan shall be shared equitably among benefitting landowners on a pro-rata basis. Benefitting landowners who choose not to participate in the preparation of the Block Plan but subsequently wish to develop their lands will be required to make a financial contribution to the costs of preparing the Block Plan based on their pro-rata share.

Previous Reports/Authority

NA

Analysis and Options

A landowner group Trustee is appointed to act on behalf of the landowner's group to administer the cost sharing agreement.

A cost sharing agreement is a private agreement between landowners to undertake the design and construction of major infrastructure & community benefitting land uses to support development of communities and/or blocks. With most cost sharing agreements, a Trustee is appointed to represent the landowner's group. The role of the Trustee is to coordinate, supervise and administer the provisions of the Cost Sharing Agreement as required or directed by the Owners. The Trustee issues notices to defaulting owners (for example, owners who have not met their financial obligations to the Group may be given notice to pay). They also issue registration clearance letters (provided the proposed development is consistent with the Block Plan and the financial obligations of the registering party have been met). In addition, the appointed Trustee provides legal counsel for land transfers, land sales, development agreements (eg. Spine Servicing Agreement with the city and confirms landowners are in good standing as part of the owner's draft plan conditions of approval.

How the trustee and cost sharing agreements are captured through City prepared development agreements.

Cost sharing has been a mechanism to recover money for years. As it relates to City conditions of approval, the City will use reasonable efforts to impose cost sharing to recover that money on their behalf in exchange for major infrastructure or oversizing. Language in various development agreements is prepared which identifies that prior to final approval of the Plan, the Owners shall enter into a Developers' Group Agreement with the other participating landowners within the Block to the satisfaction of the City. The agreement shall be regarding but not limited to all cost sharing for the provision of parks, cash-in-lieu of parkland, roads and municipal services within the Block. These

agreements shall also include a provision for additional developers to participate with the Developers' Group Agreement when they wish to develop their lands. Prior to final approval of the Plan, a developer shall provide a letter of good standing from the Cost Sharing Group Trustee or representative that they have contributed their share and have fulfilled all cost sharing and other obligations of the Block Landowners Cost Sharing Agreement.

Benefits to landowner groups and the City resulting from cost sharing agreements

Some of the benefits resulting in developers entering into cost sharing agreements include developing communities that are based on best planning principles and not the individual interests of the various developers within the community. Cost sharing agreements ensure that the participating landowners receive appropriate compensation for community infrastructure that they construct and community land that they dedicate within the boundaries of their site ownership. If a cost sharing agreement is not in place, then each landowner would lobby with the regulatory agencies to minimize the community infrastructure and land that they are burdened with in the boundaries of their site in order to maximize their development area.

Examples of Community Infrastructure would be:

- Oversizing of Sanitary/storm sewers, watermain, and roads that are shared by multiple developers
- Construction costs for Stormwater Management Facilities
- Construction costs to grade/service school sites and parks
- Community Entry Feature Walls

Examples of Community Land Includes:

- SWM Ponds
- Parks
- Schools
- Transit Facilities (outside of road right of way)
- Libraries
- Community Centers
- Traffic Circles
- Oversized Roads (typically Collector Roads in excess of City Local Road standards)

Cost sharing is being implemented in many other areas across the City of Vaughan.

Cost sharing has been applied in many areas of the City for decades. It allows for an expedient delivery of infrastructure that realizes the master planning vision of the City.

In addition to the example of Woodbridge Expansion Area noted above, there are other areas across the City where cost sharing has been applied to deliver large industrial and residential communities and major infrastructure. Examples of those are as follows –Blocks 34 and 59 currently are benefitting from this process.

Cost sharing was also applied in the VMC where the largest land holder in the south west quadrant area advanced and front ended the cost to design and construct a major sanitary trunk sewer upgrade along Interchange Way from Highway 7 to Jane Street. This infrastructure is being funded through an approved Area Specific Development Charge By law by way of an agreement between the City of Vaughan and Landowner Trustee. A separate cost sharing agreement is also being applied and managed by the landowner trustee to recover costs from the participating landowners.

There are also situations where cost sharing is not beneficial or required in delivering major infrastructure. This may include infill areas or stand alone subdivisions where infrastructure requirements are addressed through City wide Development Charges and reimbursed to the developer(s). Notwithstanding, if a non-participating landowner is benefitting and connecting into existing services and using community benefitting lands that was completed by way of a landowners group, by way of new construction or the oversizing of infrastructure to provide future benefits to other landowners and where cost sharing was required, they will be required to contribute their share of the infrastructure improvements to support their development.

Financial Impact

There are no financial implications as a result of this report.

Broader Regional Impacts/Considerations

There are no Regional implications associated with this report.

Conclusion

The information provided above supports the continued requirement that landowners should enter into cost sharing agreements to continue to promote the timely and efficient implementation of infrastructure which helps facilitate the City's master planning process.

For more information, please contact: Frank Suppa, Director of Development Engineering, Ext. 8255

Attachments

1. Block 34 Landowners group
2. Block 59 Landowners group

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