

Committee of the Whole (1) Report

DATE: Tuesday, May 4, 2021

WARD(S): 2

**TITLE: SUBDIVISION AND DEVELOPMENT AGREEMENT
AMENDMENTS FOR SRF VAUGHAN SUBDIVISION AND
VAUGHAN WEST SOUTH CORPORATE PARK**

FROM:

Jim Harnum, City Manager

ACTION: DECISION

Purpose

To seek Council approval to amend the subdivision and development agreements between the owners of the SRF Vaughan Subdivision, Draft Plan 19T-08V03, the Vaughan West South Corporate Park development and the City respectively to include the assumption of the private roadways and all associated infrastructure within the right of way that were not originally included in their respective agreements.

Report Highlights

- The SRF Vaughan subdivision and the Vaughan West South Corporate Park are industrial developments that were approved by council and required the owners to construct underground municipal services to be assumed by the city, as well as private roads that were to remain in the developers ownership.
- The owners have approached the city and requested that municipal services within the right of way including the private roads now be assumed due to market changes in the development of their lands that will require amendments to be made to their respective agreements.
- The roads and associated infrastructure will be constructed through the normal process and to city standards and staff is working on a maintenance cost payment for these services in support of the conveyance of these roads and the municipal services within, as part of the proposed amending agreements.

Recommendations

1. That the Mayor and the City Clerk be authorized to enter into amending agreements with Riocan PS Inc. and Roybridge Investments Inc. to amend their respective Subdivision and Development Agreements dated February 4, 2013 June 21, 2000 with the City; and
2. That all necessary by-laws be enacted.

Background

The SRF Vaughan Subdivision is an industrial development comprised of two employment blocks and the extension of Milani Boulevard. The 10-hectare site is located within Block 58, south of Langstaff Road, west of Highway 27, as illustrated on Attachment No. 1. The Subdivision was dependent on the adjacent Milani Phase 2 Subdivision proceeding with development for the provision of municipal services. Accordingly, the timing for construction of municipal servicing was coordinated between the two developers.

The subdivision agreement required the Owner to construct municipal services such as roads, watermains, storm sewers, sanitary sewers and hydro facilities in the Plan and external to the Plan, as presented in their subdivision agreement and on their Construction Drawings in accordance with City of Vaughan standards.

Municipal Services required to be constructed through the original SRF Vaughan Subdivision agreement

The subdivision agreement required the Owner to construct the necessary municipal services both internal and external to the Plan to service the proposed development. The roads within the Plan and external to the Plan are to be constructed with cross sections conforming to acceptable City standards and to the city's satisfaction which includes sidewalks and streetlighting. The owner will be required to provide a monetary contribution towards future maintenance costs of these roads as per the city's operations and maintenance cost analysis and for a period of time acceptable to the city.

From a sanitary sewer and municipal water servicing perspective, the Plan was serviced by the extension of the trunk sewer and watermain on Milani Boulevard. The watermain was also extended easterly along a proposed private/public laneway and will connect to the existing watermain on Innovation Drive to provide sufficient water supply, pressure, and system security.

The drainage from the Plan will be accommodated by a proposed storm sewer system that will outlet to two existing stormwater management facilities (Milani SWMP and Innovation SWMP) in the area.

The subdivision agreement also required the Owner to construct the extension of Innovation Drive to Langstaff Road and a short stub road identified as the public and private laneway as illustrated on Attachment No. 1 to service the proposed development in the Plan. The portion of this road identified as the private laneway was not to be conveyed to the city as a public highway. These works included the construction of the roadways, sanitary sewers, storm sewers, watermains, landscaping, streetscape, underground hydro and streetlighting to City Standards. The works are currently under construction. The City currently has easement rights over the private laneway in the event that repairs are required to be made to city owned watermain storm and sanitary sewer related infrastructure.

Changes in the retail market climate has resulted in the owner rethinking their development plan

It was assumed during the preparation and execution of the subdivision agreement that all the lands would be used to develop a large retail shopping centre and access to a municipal road would not be required. This did not come to fruition as a large retail centre was no longer viable due to changes in the retail climate in this plan. The lands are now being planned to be developed as individual parcels and as such these properties require access to a public right of way.

The private laneway is now being requested to be conveyed to the City as a public highway to complete the roadway link from Milani Boulevard to Innovation drive. Riocan is prepared to continue work under relevant obligation to the agreement in order to ensure that all roadways including the private laneway are built to the city's satisfaction.

Improvements to the road Network

The construction of the private laneway to city standards and the conveyance of this road to the city Improves the porosity and completes the road network connection from Langstaff Road to Innovation Drive and through to Milani Boulevard. Furthermore, improvements to road maintenance and snow clearing will be realized as winter maintenance operations will not be required to stop at the private laneway limits any longer and can provide better road maintenance functions.

The Vaughan West (South) Corporate Park industrial Subdivision

The Vaughan West (South) Corporate Park is an industrial subdivision which is comprised of 17 buildings. The 83.26-hectare site is located in Block 57 on the west side of Highway 27 south of Highway 7 as illustrated on Attachment 2. The development agreement required the Owner to construct municipal services such as roads, watermains, storm and sanitary sewers, etc., as presented on the Construction Drawings in accordance with the requirements of the City.

During the initial planning stage of the Vaughan West Business Park, the owner chose to develop their site through a site plan application rather than a plan of subdivision. The

owner had planned to consolidate all its operations into a central location to control public access and security concerns within the business park. This approach provided the owner flexibility for the expansion and changes to their business needs.

Municipal Services required to be constructed through the original Vaughan West South Corporate Park Development Agreement

The underground servicing located in the roadway areas of this development accommodate both the servicing requirements for the site plan applications within the business park and lands external to the plan as shown on Attachment No. 2. The City currently has easement rights over the roadways in the business park in the event that repairs are required to be made to city owned watermain storm and sanitary sewer related infrastructure. Underground services within the travelled roadway including infrastructure related to the storm water management pond were to be assumed while the road right of way would remain in private ownership as per the development agreement. The development is currently built out. All services associated with this development have been installed and will be inspected to ensure conformance with city standards prior to assumption. The owner will be required to provide a monetary contribution towards maintenance costs as per the city's operations and maintenance cost analysis and for a period of time acceptable to the city.

Changes in Ownership and the development plan

Subsequent to the original approval of this development, the ownership and business plan has changed. As part of this change, the owner no longer required all of the buildings and proceeded to sell off much of their real estate other than buildings required for their current operations. As a result, several severance applications have been approved by the committee of adjustment.

The city has since been informed of the owners' request that the internal road system be conveyed to the city. The Owner while continuing to have a contractual obligation to this development through the development and site plan agreements, no longer has any ownership of the building sites nor the roadways. The buildings constructed by the owner are now individually owned by different parties one of which now owns the roadways.

Previous Reports/Authority

https://meetingarchives.vaughan.ca/committee_2011/pdf/CWA0222_4.pdf

Analysis and Options

Changes in the development market have led to the need for developers to rethink their development plans to attract tenants to employment areas in West Vaughan. These changes will result in attracting tenants that will provide greater employment opportunities.

The conveyance of these roads also increases the transportation network and provides further options to the public. Road maintenance operations will be improved as a result as the requirement for private contractors to maintain short segments of road will no longer be required and service levels will be improved in these areas. Also, as the roads fall into city ownership transit routes may become more inviting and provide further mobility options to our residents. The assumption of these newly conveyed roads will be subject to the same level of design detail and inspection to ensure they meet city of Vaughan industrial road standards. Easements over city owned infrastructure within the previously proposed private roads in these developments will no longer be necessary and there will be no cost to the city to undertake the process related to the preparation of amending agreements.

The assumption and conveyance of these roads will result in additional road maintenance costs. However, had these developments proceeded as city roads originally, the cost would have been borne by the city as is customary with all assumed infrastructure built resulting from development applications. Regardless, staff will be negotiating one-time contributions to the city's satisfaction to offset the new maintenance requirements which the city will be taking on.

In consultation with the Transportation and Fleet Management Services Department, the current estimated annual maintenance costs for the SRF and West Vaughan South Business Park developments amount to \$5,500 and \$74,000 respectively. The West Vaughan South Business Park maintenance amount is considerably higher due to the length of roadway in comparison to the SRF subdivision. Staff will be working with the respective owners to facilitate the appropriate life expectancy of these roads and then apply the yearly maintenance costs as appropriate to the city's satisfaction.

Financial Impact

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

Broader Regional Impacts/Considerations

Region of York approvals were obtained to facilitate both the Highway 7 intersection and Highway 27 intersection improvement works. These works were constructed to Region standards and have subsequently been assumed by the Region of York. There are no outstanding Regional issues associated with this development.

Conclusion

It is the recommendation of Staff that the development agreements for these two sites be amended to allow for the private roads within the developments to be conveyed to the city and assumed under the normal process.

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

Attachments

1. Attachment No. 1 – SRF Subdivision
2. Attachment No. 2 – Vaughan West

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