

Township of Southgate

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Staff Report CAO2022-053

Title of Report: White Rose Park Phase III Draft Pre-Servicing Agreement
for Residential Development Project Report

Department: Administration

Council Date: September 7, 2022

Council Recommendation:

Be it resolved that Council receive staff report CAO2022-053 as information; and

That Council approve the White Rose Park Phase III Draft Pre-Servicing Agreement with the appropriate Schedules reflecting the necessary approved Engineered drawing, report information and approved securities for the project; and

That Council consider approving the White Rose Park Phase III Pre-Servicing Agreement by Municipal By-law 2022-126 at the September 21, 2022 meeting.

Background:

White Rose Park Phase III presently has a Draft Plan Subdivision approval for the their residential development project. They also have a Site Alteration Agreement that was approved by the Township of Southgate on June 6th, 2022 by municipal By-law 2022-091.

The White Rose Park Phase III Residential Development Project now requires a Pre-Servicing Agreement for their project. This agreement has been created as a template document we used for past development pre-servicing projects, that has been reviewed by our lawyer, our engineers and approved by Southgate Council for several past projects.

The Pre-Servicing Agreement is now the next step in the process that will allow the developer to start the site work for the installation of servicing infrastructure and construction of the roadway, based on the approved servicing drawings.

White Rose Park have requested a Pre-Servicing Agreement in advance of the Subdivision Agreement. What this agreement will allow is the installation by the developer of on-site and off-site infrastructure such as water, sewers, stormwater drains, curbs & gutter, and roadway construction with base course asphalt, while the Subdivision Agreement is going through the approval process. During the pre-servicing phase of the project, without a subdivision agreement in place, the Township has minimal liability as the lot fabric has not been approved or registered with title, therefore Southgate would have no responsibility to finish the lot servicing. The responsibility the Township would have with a pre-servicing

agreement would be to make the development site safe by filling in holes and leveling the soil on the property, if there was a failure to complete the project.

The Pre-Servicing Agreement will allow the developer to start the work based on approved servicing drawings and posted securities. By the developer undertaking the work prior to Subdivision Agreement approval, they take on more risk and the municipality has considerably less. Therefore, the required posted securities in favour of the municipality, by the developer, is less because the Township has not committed to an approved Subdivision Agreement. When the Subdivision Agreement is approved, the required securities will be reviewed and posted at the required levels based on the amount of servicing work that has been completed and accepted. The developer securities presently required for a Pre-Servicing Agreement is 5% for on-site and 100% for off-site works. In a Subdivision Agreement, the developer securities required is 100% for on-site and 100% for off-site works because the lots have been created and likely presold. The major cost of servicing of a residential development is the installation of infrastructure during the pre-servicing agreement phase. When it comes to Subdivision Agreement approval, the amount of securities required is considerably less as it only covers sidewalks, street lighting, street signage, lot grading, sodding, fencing, tree planting, final asphalt placement, etc., if all the pre-servicing work has been completed.

Staff Comments:

The White Rose Park Phase III draft Pre-Servicing agreement is included in this staff report as Attachment #1.

The Township approval process of this Pre-servicing agreement is the following steps:

1. Engineering have reviewed the drawings and report documents listed in the "Schedule B" of the agreement;
2. The review and calculation of the securities necessary to support the White Rose Park Phase III project work onsite and offsite work for infrastructure servicing upgrades and costs that will be included in the final version of the Pre-servicing Agreement;
3. The final step is for Council approval of White Rose Park Phase III Pre-servicing Agreement and by municipal By-law 2022-126 for approval at the September 21, 2022 meeting.

Financial Impact or Long Term Implications

There is no financial impact as a result of this report as the developer will be paying for engineering and legal costs related to the creation of this agreement.

The developer will maintain or increase the posted securities through an Irrevocable Letter of Credit (LC) to cover the estimated servicing costs determined by Southgate's engineers.

The Township and the developer will be working with the engineers to determine the required offsite work for the project. This will require a Service Finance Agreement between the Township of Southgate and White Rose Park to identify the required offsite infrastructure upgrades to support the development and the benefit to the existing community in the area. The Service Finance Agreement and cost calculation will be assessed and the requirements developed by the engineers for execution between White Rose Park Phase III developer and the Township of Southgate. The agreement will assess the required project work, project costs and any cost sharing required for all the off-site infrastructure upgrades and site improvements to the roads, sidewalk, drainage and water/wastewater servicing required to support this new residential development's increased needs and servicing demands.

Communications & Community Action Plan Impact:

This report has been written and presented to Council to communicate accurate information to the public.

Goal 3 - Promoting Health Services and Housing Choices

Action 3: The residents and businesses of Southgate envision a caring community which meets the needs of all ages and incomes for a healthy and comfortable life, even as our population grows and changes.

Strategic Initiatives 3-A (2019-2023): By means of appropriate policies, incentives and development partners, the Township will facilitate a significant increase in the supply and variety of both rental and purchase housing/accommodation within Southgate.

Concluding Comments

1. That Council receive this report as information.
2. That Council approve the White Rose Park Phase III Draft Pre-Servicing Agreement as presented.
3. That Council consider approval of the White Rose Park Phase III for a Final Pre-Servicing Agreement by Municipal By-law 2022-126 at the September 21st, 2022 Council meeting.

Respectfully Submitted,

CAO approval: Original Signed By

Dave Milliner – CAO dmilliner@southgate.ca 519-923-2110 x210

- Attachment #1 – White Rose Park Phase III Draft Pre-Servicing Agreement