

## **Township of Southgate**

### **Administration Office**

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## **Staff Report CAO2022-076**

**Title of Report:** White Rose Park Phase III Service Finance Agreement  
for the Residential Development Off Site Project Works  
Report

**Department:** Administration

**Council Date:** October 5, 2022

### **Council Recommendation:**

**Be it resolved that** Council receive staff report CAO2022-076 as information; and

**That** Council approve the White Rose Park Phase III Service Finance Agreement for this residential development project off-site requirements as presented; and

**That** Council consider approving the White Rose Park Phase III Service Finance Agreement by Municipal By-law 2022-149 at the October 5, 2022 Council meeting.

### **Background:**

White Rose Park Phase III presently has a Draft Plan Subdivision approval by the County of Grey, Site Alteration Agreement and Pre-Servicing Agreements approved by Southgate for their residential development project. They have been allocated 30 equivalent residential units (ERU) of servicing for water and wastewater capacity that will allow them to build 10 single family dwellings (SFD) and 25 townhomes in their project. Once wastewater capacity becomes available in 2023 the developer can then apply for the remaining allocation of 47 ERU (20 SFD and 33 townhomes) they require to fully build out their project in the coming years.

The next step for this subdivision is a Service Finance Agreement (SFA) because there are off-site servicing requirements on Bradley and Highpoint Streets to support this development. The developer is responsible to connect their development to existing services. Developers are also required to increase the level of service of existing roads to support the increased servicing demands that the subdivision would require. This is also an opportunity for the Township to install service that did not exist prior to development and will service pre-existing residential properties. If Development Charges have been collected in the past for a project the SFA can allocate specific DC fees collected to support the developer costs of off-site servicing.

### **Staff Comments:**

Triton has developed a Service Finance Agreement for this project and determined the off-site project work and costs that are required for the White Rose Park Phase III residential development.

The Service Finance Agreement (SFA) creation assesses the present conditions and future levels of service required to establish the new residential development. It is the developer responsibility to upgrade the required off-site or outside of the development boundary services to support the new development. The services that we have considered in a SFA is roads, sidewalks, drainage, water and wastewater in accordance with the Municipal Servicing Standards. What is also considered in a SFA is future capital projects are established in the municipal capital budget, the Development Charges (DC) By-law and/or the opportunity to expand service to the existing properties. In case of this development there are no identified project in the short or long-term capital budget or in the DC By-law that would support municipal investment in this area.

The off-site construction required has been identified as upgrade work and assessed cost estimates as the following projects:

- White Rose project - Road and Drainage work on Bradley Street from project entrance to Grey Street (Cost estimate \$447,978.00)
- White Rose project – Road half upgrade with curb and sidewalk on east side of Bradley Street from Grey to Highpoint (Cost estimate \$212,614.00)
- Southgate project - Road half upgrade to pave west side of Bradley Street from Grey to Highpoint (Cost estimate \$58,830.00)
- White Rose project – Road half upgrade with curb and sidewalk on north side of Highpoint from Bradley to the Highpoint sidewalk east of Pine Court (Cost estimate \$194,227.00)
- Southgate project – Sanitary service repair on Bradley Street that will be charged to Enbridge Gas (Cost estimate \$7,500.00)

### **Financial Impact or Long Term Implications**

The financial impact as a result of this report is the developer will be paying for engineering and construction costs up front. The developer will also have to maintain the posted securities for the project through an Irrevocable Letter of Credit (LC) to cover the estimated servicing costs determined by Southgate's engineers. The external works cost estimate is \$921,199.00 requiring 100% security posted by the White Rose Developer to ensure the work is completed.

The Township portion of the project costs is \$66,330.00 for paving half a lane of roadway and to repair a damaged sanitary service that will be covered by Enbridge Gas (\$7,500.00). The Developer is assessed \$854,869.00 that is reported in more detail in the Attachment #1 document included in this report.

### **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 Service Finance Agreement as presented.
3. That Council consider approval of the White Rose Park Phase III Service Finance Agreement by Municipal By-law 2022-149 at the October 5<sup>th</sup>, 2022 Council meeting.

Respectfully Submitted,

**CAO approval:** Original Signed By

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- Attachment #1 – Triton Service Finance Agreement Project Cost Allocation Report