



TOWN OF MINTO

DATE: August 29, 2017

REPORT TO: Mayor and Council

FROM: Bill White, C.A.O. Clerk

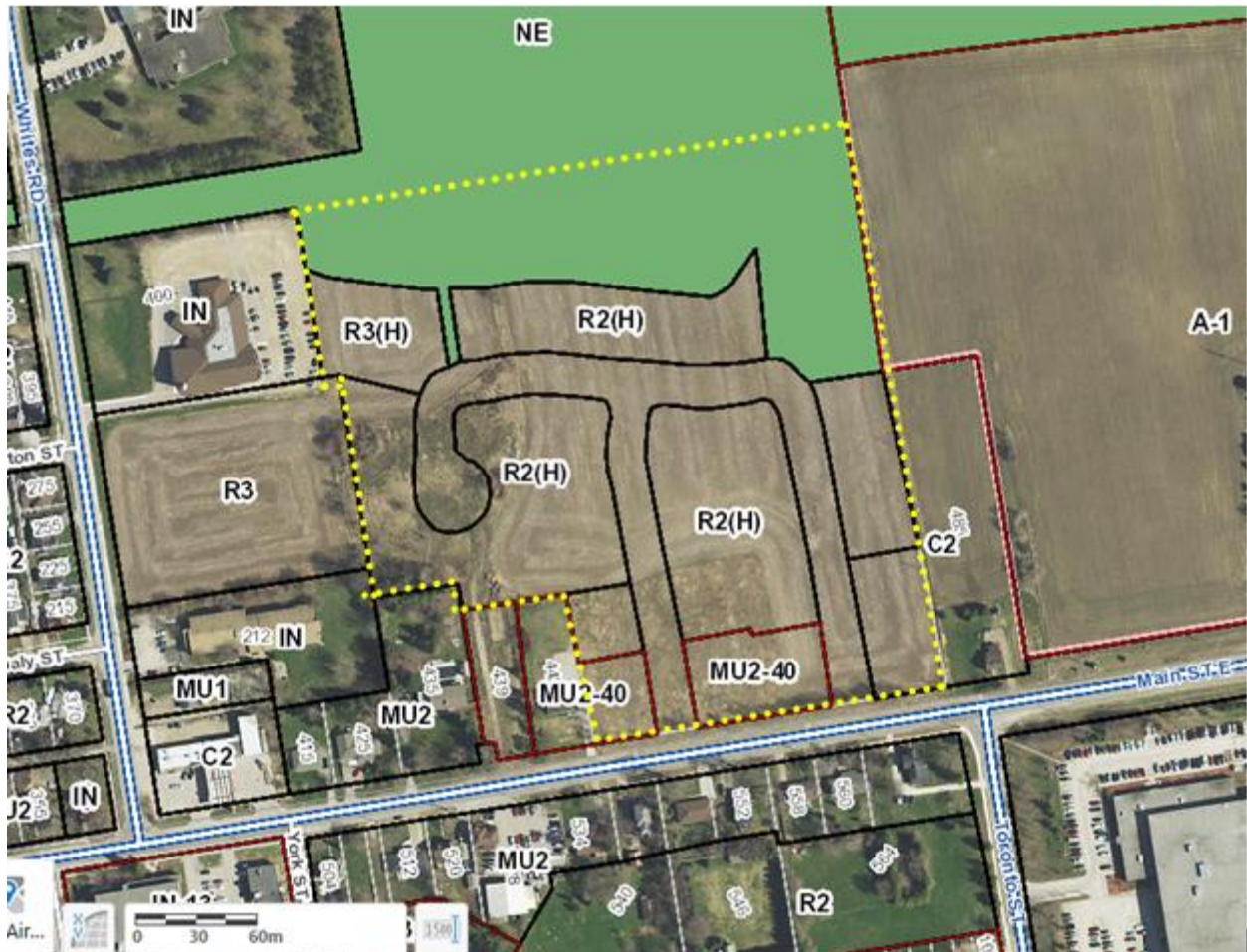
SUBJECT: First G. Capital Subdivision (Gill) File 23T-1003, Main Street Palmerston

STRATEGIC PLAN

9.1 Establish and maintain streamlined planning approval processes that use innovative and cost effective tools to protect Town and public interest and ensure development proceeds quickly and affordably

BACKGROUND

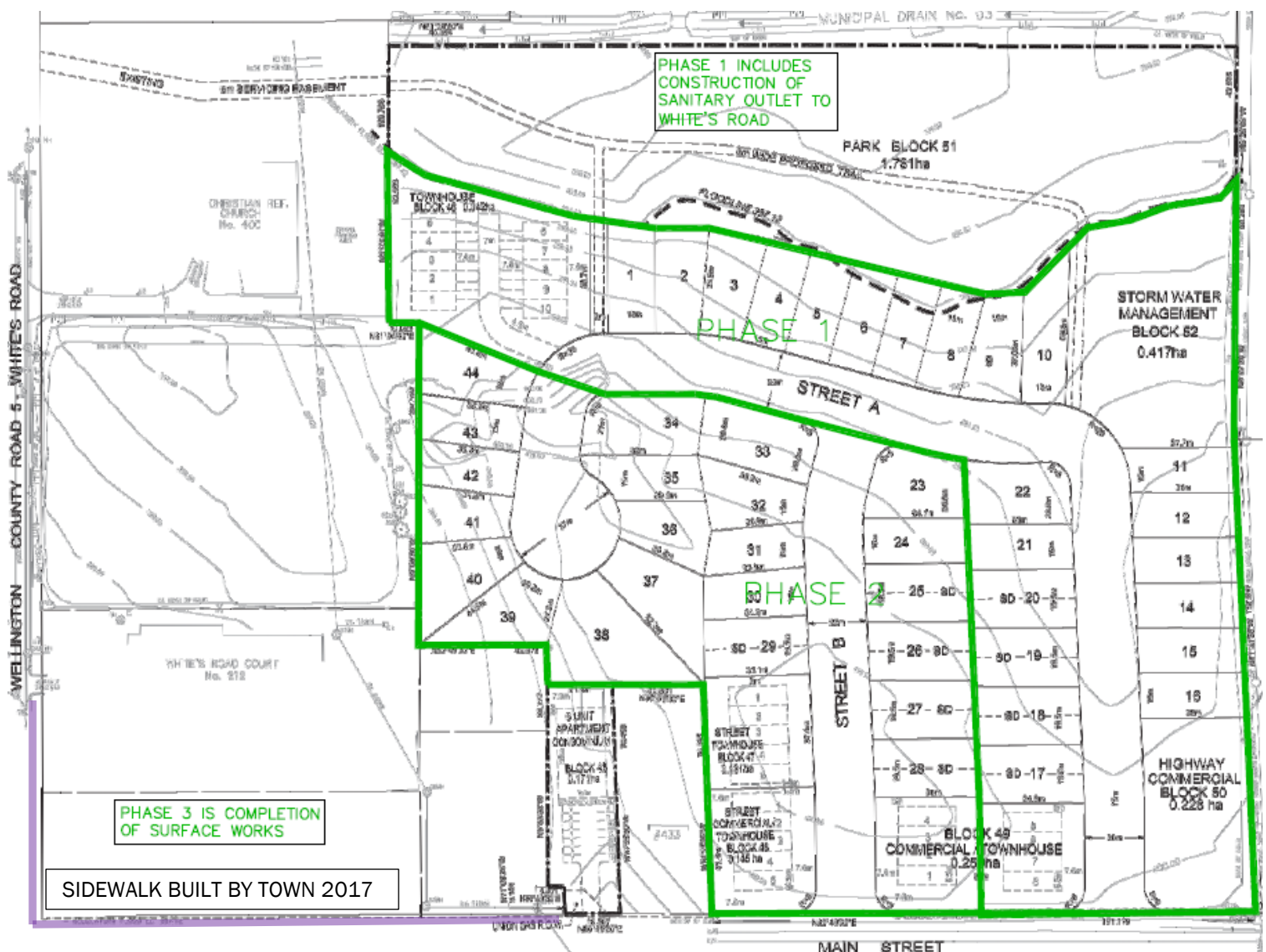
At the September 6, 2016 meeting Council approved an extension to the draft plan of subdivision proposed by Harj Gill on the northeast section of Palmerston, north of Main Street and east of Toronto Street. The map below shows the subject lands, proposed layout and zoning currently in place.



The property is zoned Mixed Use (MU2-40) along the front and mostly medium density residential on the interior (R2H). The holding provision related to servicing the lands. There is a block of high density residential (R3(H) in the northwest corner of the property beside the Christian Reformed Church. The subdivision will have 44 single and semi-detached lots, and four blocks of higher density residential, residential-commercial and highway commercial. The Developer built a six unit building on lands southwest of the subdivision.

Within the subdivision the Developer will construct sanitary sewer, and water, paved roadway with curbs and gutter, and sidewalk. Watermain will be looped in the subdivision from Main to White's Road through an easement. Storm water will flow through a collection system within the roads to a stormwater management pond on the northeast corner, before being outlet into Municipal Drain 3 to the north through the Park Block. The developer will build a walkway through the park and stormwater block to Street A.

The subdivision will have two main phases beginning with the northeastern section as shown below. Phase 3 is identified as "surface works" (boulevards, sidewalks, final asphalt):



The County draft plan approval for the above subdivision layout has a series of conditions to be met before the lot fabric can be registered on title and lands can be transferred to new owners. Conditions include the Developer's engineer designing and supervising all the infrastructure installation to the Town's satisfaction, and meeting all other zoning, parkland or other financial requirements. One draft plan condition is the Developer sign a subdivision agreement with the Town dealing with infrastructure and financial obligations.

Following meetings with the developer, staff sent a draft subdivision agreement for his review by email December 23, 2016. After further meetings the attached letter was received by the Mayor August 21.

COMMENT

The attached draft subdivision agreement was used for the Keith Gray Subdivision (Tuffy MacDougall Court) and is based on models used all over Ontario. The agreement contains certain policy considerations that Council has approved and applied to development in the past. The Developer's letter requests relief from certain standard provisions as noted in bold. The following summarizes the terms of the subdivision agreement by section:

1. Sets out order of events before Town conditions are cleared, registration of the subdivision agreement, lots are sold, permits are issued or buildings occupied.
2. Lists attachments to the agreement including any special or unique requirements.
3. Requires the developer provide \$12,000 for Town engineering and legal costs of which \$3,000 will be retained for administration. **The Developer has asked that the deposit be reduced to \$6,000 which is acceptable.**
4. Requires Developer to employ and retain professional engineers throughout the process. **The Town consented to the Developer continuing with Triton Engineering given their historic involvement with the file.**
5. Confirms Developer is responsible for all development costs unless specifically stated.
6. If subdivision is not registered within three years Town may declare it null and void and keep all deposits.
7. Requires Developer obtain all other agency approvals.
8. Developer is to use professional contractors approved by the Town
9. Before work begins the Town is to receive a schedule of work to be completed.
10. Four days written notice is needed before developer starts work
11. Process for approval of underground servicing once installed and rectifying any deficiencies noted by the Town.
12. Schedule for above ground work to be provided and potential \$1,000 per day penalty on Developer for each day work is not finished.
13. Standards for services being installed including private utilities such as electrical, cable and similar.

14. Developer's engineer to supervise construction, and when Town is satisfied work is complete a Certificate of Substantial Completion and Acceptance is issued which starts a two year maintenance period during which the Developer pays for all servicing repairs.
15. Allows for servicing work to be staged or phased with Town approval.
16. Confirms Town does not maintain services until two year maintenance period is over.
17. Requires Developer deposit 100% of the cost of the servicing work set by the engineer which the Town holds until work is substantially complete. Clause contains provisions for reducing the security but never to less than 25% of the remaining works. **The Developer has asked that the deposit be reduced from 100% to 50%. For reasons set out later in this report staff recommends at least 60% security be required.**
18. Procedures during two year maintenance period including how full security is returned.
19. The Town finally accepts fill responsibility for installed services after the two year maintenance and certificate of maintenance and final acceptance is issued; at least four lots have to be built on or two years have to pass. Developer must supply "as-built" drawings. **The Developer is stating the Town could wait until 70% of any phase is built on (rather than just 4 lots) before assuming services, and this is acceptable.**
20. Allows reduction of the security deposit once developer demonstrates paid accounts with the Town keeping 10% above the value of the work remaining. **The Developer asks that the Town keep only 5% "mark-up" above the cost of remaining work. This could work depending on the security deposit Council requires under Section 17. If Council agrees to less than 100% security no reduction should be considered by the Town until the cost of remaining works is below the security % retained.**
21. No securities are reduced unless proper declaration is made that accounts are paid.
22. The Town can use any services installed by the Developer if it wishes to do so and this does not cause the Town to assume the services.
23. Requires Developer remove snow on the roads until Town issues a certificate of maintenance and final acceptance. The Town and Developer can have an agreement for winter maintenance. **The Developer asks that the Town remove snow for \$20 per occurrence. Staff does not recommend this clause include a figure as it is arbitrary and may not represent the true cost depending on how much road is to be cleared, the condition of the road and the frequency of clearance based on number of homes built.**
24. Town can do emergency repairs if needed which does not constitute assuming services.
25. Developer indemnifies the Town.
26. Developer to carry \$5,000,000 liability insurance and provide certificate to the Town.
27. Private utility costs and approvals to be obtained by Developer and provided to Town.
28. Implements Town Street naming protocol.
29. Developer to control debris in an orderly and sanitary fashion.
30. All access roads to be properly maintained.
31. Developer to repair any damage made to Town services and private utilities during the period contractor is constructing the subdivision.
32. Dust control to be maintained on roads by Developer.

33. Requires a master grading and drainage plan be provided and approved by the Town Engineering firm and other authorities. Individual lots shall have site specific grading plans conforming to this overall plan.
34. Drainage work installed on a lot has to be maintained according to the overall and site specific grading and drainage plans. Developer is to provide adequate drainage during subdivision development and supply all easements needed for drainage.
35. Requires the Developer to convey to the Town all land and easements needed and pay the cost of preparing and registering deeds. **The Developer has agreed to build a walking trail up to White's Road. This work will be set out in the subdivision agreement. There is a park shown as Block 54 in the subdivision plan to be dedicated to the Town.**
36. Subdivision agreement is registered on title immediately before the final subdivision plan is registered, ensuring all future lot owners must comply with the agreement.
37. Any survey bars moved must be replaced by Developer and certified.
38. Procedure for notice.
39. Mortgagees that become owners have same obligations as Developer.
40. Provisions for assigning or transferring mortgage
41. Building Permits not issued until proper grading and drainage plan is submitted, all agency approvals are in place, underground services substantially complete and tested, surface drainage is provided, fees paid, and road has curb, gutter, sidewalk, full depth gravel and first lift of asphalt. **The Developer has asked that sidewalk in the subdivision be built after 70% of homes are in place, and asks that building permits be available even if curbs and first lift of asphalt is not finished. He has also asked for a model home to be permitted. Staff agrees sidewalk work can be delayed due to potential for damage during construction. Building Permits can be issued with full depth Granular A in place only, but the Town will not provide winter maintenance for a gravel subdivision road. The subdivision agreement should specify first lift of asphalt as soon as possible in the spring. The Developer should make a separate submission on a model home showing location and design and if approved should sign a model home agreement and post security with the Town.**
42. Sets the rules before buildings can be occupied.
43. Damages paid per day by Developer for each unit occupied before Town approval.
44. Town to approve before Developer places sod or pavement on a boulevard area.
45. Lots in a hazard area or needing special attention require an engineer's letter to Town.
46. Individual subdivision lots can be released from obligations in the agreement except for street lights, water/sewer billing, and grading and drainage which always apply.
47. Subdivision will not be cleared until private utilities agree.
48. Developer to keep lands up to date as far as all payments including taxes.
49. Standards for water and sewers.
50. Payments not made can be charged against the Developer's lands.
51. Signage for un-assumed road during construction.
52. Tree Planting requirements in the subdivision. **This clause should be changed to reflect the Town's requirements in its new Tree Planting policy.**
53. Developer responsible for meeting any rules for a contaminated site if applicable.

54. Requirements for plan submission
55. Cost of water, sewer and street lights to be paid by any new purchase and the developer.
56. Covenants that bind the Developer.
57. Definitions key to enforcing the agreement
58. There are several Schedules to the agreement that will be completed. Much of the information is standard. Schedule D will contain the engineer's cost estimate for the work to be done in the subdivision. It provides the cost to be used to set the security amount. Schedule E is specific fees to be paid to the Town, while Schedule G lists lands that the Developer must deed to the Town. Schedule H will reference the Master Grading and Drainage Plan and Tree Retention details.

Staff is recommending no less than 60% of the total servicing costs to be set out Schedule D be held as security by the Town. The Developer has asked for 50% and the Town standard is 100%. Many municipalities require 100% and some require more than that when accepting securities. Municipalities with high growth would not consider a reduction and if asked most lawyers would ask why the Town should assume any risk in this fashion.

Staff is concerned reducing this requirement sets precedence for future subdivisions some of which may be developed by companies not known to the Town. However, the Town is not faced with multiple subdivisions proceeding at different stages throughout the municipality. Also having the Town Engineering Consultant involved with the review and supervision of the work with the Developer provides some comfort that the Town's exposure on a reduced security is not too high. If the Town accepts a reduced security the agreement should be worded so that it is clear the amount is not reduced until the value of the remaining work in a phase is less than 60% of the total cost listed in Schedule D.

Regarding the applicant's request that the Town extend sidewalk on Main Street to the entrance to the subdivision this should be negotiated and set out in the Schedules to the subdivision agreement. The Town built over 170 metres of sidewalk this year to the Developers six unit building southwest of the proposed subdivision. About 100 metres of sidewalk is needed to reach Street A in Phase 1. If the Town agrees to build more sidewalk on Main Street it should not be until the Developer has built the sidewalks inside the subdivision and at least base asphalt installed on interior roads.

Servicing details in the subdivision are being finalized by Triton Engineering. Staff will work with Triton to ensure the subdivision agreement protects Town interests. The Town Solicitor will register the agreement when appropriate.

FINANCIAL CONSIDERATIONS

The Developer's cost to service the entire subdivision is projected at \$2.515 million with Phase 1 being \$1,501,786. If the Council accepts 60% security, \$901,071 would be provided to the Town and held until the projected cost of the servicing work in Phase 1 is

less than that amount. After which the subdivision agreement allows reductions with a 10% “mark-up”. When services are accepted the Town keeps 10% or \$90,107 for two years while the Developer completes any repairs needed to the infrastructure. This is no doubt a significant investment by the Developer and Town staff will work diligently, along with the consulting engineer, to ensure approvals and reductions under the agreement are processed quickly and efficiently.

Town legal, planning and engineering costs to be covered under the subdivision agreement and the fees and charges by-law. The final subdivision agreement will be signed by Mayor and C.A.O. Clerk when engineering details are final.

RECOMMENDATION

That Council receives the C.A.O. Clerk’s report dated August 29th, 2017 First G. Capital Subdivision (Gill) File 23T-1003, Main Street Palmerston and Harjinder Gill’s August 21, 2017 letter, and that the subdivision agreement be finalized with respect to servicing and other requirements as outlined in the staff report and specifically that the security required under Section 17 be 60% of the total servicing costs, and that the Town and developer reach a separate agreement on winter maintenance costs and the model home request.

Bill White, C.A.O. Clerk