

4. LEITRIM EARLY SERVICING AGREEMENT

COMMITTEE RECOMMENDATIONS AS AMENDED

That Council approve:

- 1. Tartan Land Corporation's application for an Early Servicing Agreement for Leitrim based on the terms attached in Annex D; and**
- 2. The advancement of capital authority for water (\$1.130 million) and wastewater services (\$4.830 million) for Leitrim from 2002 to 2000 (Capital projects 900438 and 900217);**
- 3. Additional capital authority of \$100,000 for the upgrade to the Ottawa South Pumping Station; and**
- 4. That the Early Servicing Agreement include the provision that the developer shall be responsible for the annual carrying charges on the total capital costs until 750 units are constructed or the year 2004 (not 2006 as stated in the report) whichever comes first.**

Authorizing the Chair and the Clerk to sign the Early Servicing Agreement.

DOCUMENTATION

- 1. Planning and Development Approvals Commissioner's report dated 22 May 00 is immediately attached.**

REGION OF OTTAWA-CARLETON
 RÉGION D'OTTAWA-CARLETON

REPORT
 RAPPORT

DATE 22 May 2000

TO/DEST. Co-ordinator
 Corporate Services and Economic Development

FROM/EXP. Commissioner
 Planning and Development Approvals

SUBJECT/OBJET **LEITRIM - EARLY SERVICING AGREEMENT**

DEPARTMENTAL RECOMMENDATIONS

That Corporate Services and Economic Development Committee recommend Council approve:

- 1. Tartan Land Corporation's application for an Early Servicing Agreement for Leitrim based on the terms attached in Annex D; and**
- 2. The advancement of capital authority for water (\$1.130 million) and wastewater services (\$4.830 million) for Leitrim from 2002 to 2000 (Capital projects 900438 and 900217);**
- 3. Additional capital authority of \$100,000 for the upgrade to the Ottawa South Pumping Station; and**
- 4. Authorizing the Chair and Clerk to sign the Early Servicing Agreement.**

INTRODUCTION

Tartan Land Corporation has been anxious to develop its lands in the Leitrim area for a number of years. The Regional Official Plan (O.P.), approved in 1997, identified the water, wastewater and transportation infrastructure projects which would be necessary to service Phase 1 development of Leitrim (1,500 dwelling units) by approximately 2006. (See Maps A and B). A commitment to allow development in Leitrim has been in the Regional Official Plan since 1988.

Major water and wastewater infrastructure to support the development is proposed in the 2000 Capital Budget Forecast for 2002 at an estimated cost of \$7.485 million. With the additional authority for a minor upgrade to the Ottawa South pump station (estimate: \$100,000), this would complete the Regional water and wastewater servicing component. As Council is aware, the identification of a capital project in the Capital Forecast in a future year is not a guarantee of the project's construction in that

year. Capital Forecasts are simply that, a forecast. They are subject to review annually as part of the budget review. However, the transportation servicing (the Airport Parkway and the Bowesville Road extension) for the total development of 5,000 units has not been included either in the 2000 Capital Budget or the 10year Capital Forecast. Furthermore, Council has directed staff to prepare a Regional Official Plan amendment to delete the Airport Parkway twinning and to prepare a report to consider all of the potential ramifications of the twinning. A maximum of 1,500 residential units can be added to Leitrim (assuming 3,500 units in River Ridge) without triggering a need for the twinning of the Airport Parkway or some other transportation solution.

Tartan is asking that authority for the construction of the water and wastewater infrastructure be advanced from 2002 to 2000. Council approved funding for the design of the Leitrim services in the 1999 Capital Budget and staff will be in a position to let tenders for construction before the end of 2000. Actual construction would not take place until 2001. Should Council approve an Early Servicing Agreement, it will also have to be submitted to the Transition Board for approval.

ANALYSIS

Regional Council approved the Guidelines for Early Servicing on September 22, 1999. The guidelines outline criteria and a process whereby a comprehensive and consistent approach can be taken when considering development applications requiring the advancement of Regional water and wastewater infrastructure projects prior to the timing proposed in the Official Plan and Master Plans. The Guidelines also contain criteria for evaluating the impact of the application on all Regional services. A copy of the Guidelines is attached in Annex A* for information.

Application of the Guidelines criteria to the request

The application addresses the guidelines in the following ways:

- The proposed development conforms to both the local and Regional Official Plans. The Regional infrastructure to service the project is identified in Table 6 of the Official Plan and in the Master Plans.
- The Capital Budget Forecast for 2002 includes the Gloucester South Transmission Main and the Leitrim Pump Station, Forcemain and Gravity Sewer. A minor upgrade to the Ottawa South Pump Station (about \$100,000) has not been included in the 2000 Capital Budget Forecast but will be required.
- The requirements of a locally-adopted concept plan have been met.
- A resolution by Gloucester Council in support of the development was approved on October 26, 1999 (attached as Annex B).

*** Annex A is issued separately.**

- The presence of the Greenbelt does not allow the Leitrim development to meet the criterion of being “contiguous” with other existing, registered or draft-approved development, so in this situation this is not a relevant criteria.
- Up to about 1,500 units, the development requires the advancement of funding for Regional water and wastewater servicing only. Funds are available in Regional water and wastewater reserves to service the development from a water and wastewater perspective. The loss of interest on water and wastewater reserves will be re-imbursed by the developer through the Early Servicing Agreement. No funding is available or projected to be available to provide transportation infrastructure (Airport Parkway twinning and Bowesville Road). If Council limits the development to 1,500 dwelling units, the development does not require the advancement of funding for transportation or transit works. However, the Official Plan does indicate that it should be in place to service Phase 1 development of the South-east sector (Leitrim, River Ridge and the airport) by 2006 (Table 6 of the O.P.).

Analysis of the Application

Regional land use issues and development patterns

- Development of Leitrim is anticipated in the Region’s O.P. Table 5 of the O.P. outlines the number of dwelling units (1,500) which anticipated servicing can support for Phase 1 and Table 6 of the O.P. outlines the key Regional infrastructure projects required. Table 6 includes wastewater projects: gravity sewer extensions, pumping station and forcemain (Leitrim Pumping Station, Forcemain and Gravity Sewer), water projects: an expanded South Gloucester Pumping Station (this project has been replaced with the South Gloucester transmission main originally scheduled for 2014); and transportation projects: the Bowesville Road extension, Airport Parkway twinning (for both Gloucester South Urban Centre and Leitrim) and the Leitrim Park and Ride lot.
- From the department’s monitoring of development patterns following the approval of the O.P. it appears that growth in the Region is occurring as the Regional Development Strategy anticipated. Since 1996, approximately 12,800 new residential units have been constructed in the Region, bringing the total to about 304,800 units. The Region’s O.P. projected 310,000 units for mid-2001. 1999 experienced the highest growth since the early nineties (about 4,600 units). This high growth rate is expected to continue for at least two years. According to CMHC, a 13% increase in housing starts is expected for 2000.
- Orleans and Kanata are developing quickly with a considerable number of draft approved and registered development (see Table 1, Annex C) in accordance with the O.P. River Ridge is not developing as quickly in terms of meeting Phase 1 targets for dwelling units. It has dwelling unit capacity of 3,500 units for Phase 1 and, at this time, approximately 600 dwelling units have been built and a total of about 1,000 units are draft approved or registered.
- Leitrim has been identified for development in the Region’s Official Plan since the 1988 O.P. and was reconfirmed in the 1997 O.P.

Municipal Support

- One of the requirements of Early Servicing Agreements is the local municipality's support for early servicing. Gloucester is very supportive of the development, as indicated by their Council resolution (Annex B), and is in the process of designing a stormwater pond to service the development.

Impact of Advancing Infrastructure on other surrounding lands

- In addition to Tartan Land Corporation, other owners may be willing to develop in the Leitrim area in the near future. The Region has been approached on a preliminary basis concerning 20 acres of land in this area and it is understood that other owners have had discussions with Gloucester. Once water and wastewater servicing is in place, these owners may wish to proceed with development of their lands for residential and industrial uses. Development of the additional residential lands in Leitrim will be included in the 1,500 dwelling unit threshold for phase 1.
- The industrial area in Leitrim will now be able to connect to services, improving conditions for both the existing businesses and allowing additional land to come on stream.
- Kemp Park is an old subdivision of approximately 60 lots presently on septic systems. The servicing of Leitrim will allow the area, through a local improvement charge, to eventually hook up to public services.

Market Analysis provided by the Developer

- The developer has submitted a market analysis report, "Residential and Industrial Market Assessment: Tartan Lands - Leitrim" to support his assertion that there is sufficient demand for the development and that he will be able to use the allocated water and wastewater servicing capacity within an acceptable time frame. The report states that there is an ultimate potential for the development of 5,200 residential units and 162 hectares of industrial land. It assumes, based upon River Ridge's experience in generating an average of about 100 units per year, that the site can expect to generate "up to 130 new units on average in the near term" and "possibly as high as 150 or even 200 units per year" over the longer term. This would indicate that Leitrim would likely take about 10 years to reach 1,500 dwelling units. The report also suggests that there is pent-up demand of the industrial lands from both existing firms wishing to expand and new firms wishing to establish a presence in the area (given its proximity to the Ottawa Airport). While the consultant found it difficult to estimate an exact absorption rate, a range of 2.5 ha to 10 to 20 ha annually was suggested based upon whether the land would attract high tech users or smaller operations.

Transportation Concerns

- One of the requirements of the Early Servicing Guidelines is that all of the Regional infrastructure to service the development must be included either in the Capital Budget or the 10 Year Forecast.

- Of the four major locations of suburban growth outside the Greenbelt, it has been recognized that the South-east Sector (basically River Ridge and Leitrim) is the most challenging to service in terms of transportation. The fundamental difficulty is the fact that the available north-south arterial corridors on the east side of the Rideau River either join or converge as they approach the Inner Area. Nevertheless, the O.P. provides for transportation network improvements to service combined development in Leitrim and River Ridge for both Phases 1 (5,000 dwelling units) and 2 (10,500 dwelling units).
- In preparing the O.P., it was concluded that there is sufficient transportation capacity in the existing road network to service Leitrim up to the 1,500 unit threshold. Given this analysis, transportation capacity is available to provide for growth in Leitrim to this level. The industrial, business parklands do not add to the overall road requirements.
- Council approved the following motions on January 28, 1998:

“Council direct staff to prepare the required modification or amendment to the Regional Official Plan to delete the twinning of the Airport Parkway;

Council further direct staff to prepare a report to be presented to the appropriate committee(s), summarising the transportation issues, the planning and development issues related to the Airport Parkway and the affected surrounding areas, and that this report include the potential (negative and positive) ramifications of twinning of the Airport Parkway.”

- The accumulated transportation impacts from the South-east Sector and the longer-term implications concern staff if the Airport Parkway twinning does not proceed, as indicated in the Official Plan since a suitable alternate transportation solution has not been identified. Accordingly, staff recommend that water and wastewater infrastructure to service the Leitrim area be restricted to 1,500 residential units if early servicing is to proceed.
- Before moving forward to implement Council’s motions of Jan 1998, staff are waiting for the completion of the Airport Parkway Extended Traffic Impact Study (APETIS) and the Monitoring Report on the impact of the new Airport Parkway Ramps at Hunt Club Road (at the time of writing these are anticipated to be at Transportation Committee on June 7, 2000).
- The work completed as part of the 1997 O.P. review showed up to 1,500 units in Leitrim and 3,500 units in River Ridge could be built without the need for the Airport Parkway twinning. Until the issue of the Airport Parkway twinning (and by implication the Bowesville Road extension) is resolved, staff cannot recommend a commitment beyond 1,500 units. As part of the report staff have been asked to complete, other transportation options for the South-east Sector, will be explored.
- The developer has submitted a “Traffic Impact Overview for the Leitrim Growth Area” which examines the immediate impact on the road system. The Study provides an analysis of the existing transportation system, the roads assumed to be available to service Leitrim and assesses where there is capacity available within two screenlines, the Leitrim Screenline and the CNR East

Screenline. It differentiates the capacity of the eastern portion of the screenlines which would pertain to Leitrim and the western portion of the screenlines which would pertain to River Ridge. The Study concludes that the “Leitrim growth is directly and well served by both Conroy Road and Hawthorne Road, both of which have significant existing space capacity”.

Staff agree that there is spare capacity in the Regional Road system at both the Leitrim and CNR Screenlines if development is limited to Phase 1 development levels (combined total of 5,000 dwelling units for Leitrim and River Ridge) traffic. Servicing in Leitrim should, therefore, be capped at 1,500 residential units until such time as authority for either the Airport Parkway twinning/Bowesville Road extension or some other transportation solution is provided in the Capital Budget.

Conditions of an Early Servicing Agreement

The suggested conditions for the Early Servicing Agreement are included in Annex D. An explanation of the water and wastewater projects required for the development is included below.

The Leitrim development has been the subject of study for many years. Tartan Land Corporation received draft plan approval for 475 units (revised March 6, 1996). The draft plan approval has lapsed. Conditions in the lapsed agreement included provision for Tartan to pay for sanitary and water servicing (the South Gloucester Pump Station; the Leitrim [now known as the South Gloucester] Transmission Main; the Ottawa South Pumping Station; and the Leitrim Pumping Station and Forcemain). These works were later identified in the O.P. and the Regional Development Charges (RDC) By-law as works which the Region will construct and fund through RDCs and reserves, thus removing Tartan’s financial obligations in the draft plan.

Although, originally, an upgrade to the Gloucester South Pumping Station was recommended for the development, the recent pre-design study for the water servicing suggested an overall cost savings by reconfiguring the projects - bringing forward the South Gloucester Transmission Main originally scheduled for 2014 in the Master Plan, abandoning the South Gloucester Pumping Station and upgrading the Ottawa South Pumping Station to accommodate additional flows generated by the Leitrim growth area. As a result, these projects were included in the 2000 Capital Budget Forecast for construction in 2002. If the projects proceed, authority for an upgrade to the Ottawa South Pumping Station will also need to be approved in 2000.

As part of the functional design, a review of various servicing alternatives and cost comparisons for interim and ultimate water and wastewater solutions has been completed. For both water and wastewater systems, the consultant has indicated that it is almost the same cost to build the interim solution for 1,500 units and then to later upgrade the system for 5,000 units as it is to provide the ultimate servicing solution for 5,000 units at this time. A cost estimate of water and sewer costs for the interim and ultimate is provided in Table 1 below. The interim solution is considered a better solution if it takes 10 years or more to reach 1,500 units. Maintenance is easier for this “just in time” solution.

Table 1
Estimated Cost¹ of Servicing Leitrim

	Ultimate Solution (5,000 units) built today	Interim Solution (1,500 units)	2nd phase (+ 3,500 units)	Total Phased
Water	\$ 1.13 M	\$ 1.13M	0	\$ 1.13M
Sewer	7.6 M	\$ 4.83 M	2.8M ²	7.63M
Total	\$ 8.73 M	\$ 5.96 M	\$ 2.8 M	\$ 8.76M
<p>¹Net present cost. These costs are based on functional design and may change following detailed design.</p> <p>²Depending on interest rates and years of construction, the cost in net present dollars will range between \$3.49 m and \$2.16 m. The mid point between the two estimates was used.</p>				

The water and wastewater systems presently included in the Capital Budget Forecast are intended to serve a future potential of 5,000 units. However, pumps in the pumping stations are sized for Phase 1 of Leitrim (1,500 units). They will be upgraded as development proceeds beyond this point. Therefore, it is recommended that any Early Servicing Agreement include the provision that the developer shall be responsible for the annual carrying charges on the total capital costs estimated at \$6.06 million and the additional maintenance and operating costs estimated to be \$25,000 per year (\$20,000 sewer, \$5,000 water) until 750 units are constructed or the year 2006 which ever comes first.

In addition, the Urban Transit Area should be expanded to service the Leitrim development. As ridership will be low in the early years, Tartan Land Corporation would be responsible for financing the expansion of transit services to the development. A separate agreement would be required between Tartan Land Corporation and OC Transpo to reimburse the transit company for the difference between the cost of servicing the area and the revenues received. Reimbursement is likely to be tied to a threshold number of dwelling units constructed. This precedent was established with the River Ridge and Monarch developments.

Should the agreement be signed, other interested developers who would benefit from the Regional water and wastewater services should pay a share of any of the costs which Tartan would assume. Therefore, a clause has been included in the draft conditions in Annex D to require the Region to use its "best efforts" to ensure that the owners share in developer-related costs. "Best efforts" would likely be carried out through a condition of subdivision approval or a site plan agreement.

CONSULTATION

An initial pre-consultation meeting was held on October 19, 1999 with representatives from the Region, the City of Gloucester and Tartan Land Corporation to discuss the feasibility of considering an Early Servicing Agreement. Subsequent to this meeting, the City of Gloucester Council passed the resolution

in support of the development and this was forwarded to Regional staff. A number of additional meetings have been held between staff and the developer to consult upon various aspects of the early servicing of Leitrim - primarily dealing with the transportation issues, although other servicing and Tartan's Market Analysis report were also topics of discussion. Consultation also took place with staff from the departments of Environment and Transportation, Finance, the Solicitor's and the CAO's Office and with staff of the City of Gloucester.

FINANCIAL IMPLICATIONS

If the recommendation of this report is approved for an Early Servicing Agreement to accelerate the water and wastewater servicing to support the development of Leitrim, the following are the Capital Budget implications. The capital authority for the Leitrim Pumping Station, Forcemain and Gravity Sewer is presently included in the 2000 Capital Budget Forecast in 2000 (design) and 2002 (construction). The capital authority of \$4.83 million for construction would need to be advanced to 2000. The capital authority for the South Gloucester Transmission Main is presently included in the 2000 Capital Budget Forecast in 2000 (design) and 2002 (construction). The capital authority of \$1.130 million for construction in 2002 would need to be advanced to 2000. Additional capital authority of \$100,000 to purchase and install an additional pump for the Ottawa South Pumping Station would need to be included in the 2000 Capital Budget. This would add approximately \$6.06 million to the Capital Budget for 2000.

An Early Servicing Agreement with Tartan Land Corporation based on the conditions included in Annex D would need to be executed. This item will require Transition Board approval.

CONCLUSIONS

Tartan Land Corporation has requested an Early Servicing Agreement to have the authority for the construction of Regional water and wastewater infrastructure projects advanced from 2002 to 2000.

The Tartan request meets the criteria for the Early Servicing Guidelines for development up to approximately 1,500 units. Beyond this number, the transportation infrastructure required is not included in the Region's Capital Budget or 10 Year Forecast.

Therefore, staff recommend that an Early Servicing Agreement be based on a cap of 1,500 units until a decision has been made on the Airport Parkway twinning or another agreed-upon transportation solution for the South-east Sector. Terms for the conditions of this Agreement are contained in Annex D.

Approved by
N. Tunnacliffe, MCIP, RPP

FINANCE DEPARTMENT COMMENT

The major water and wastewater infrastructure projects to support the development of the Leitrim area were scheduled in 2002 of the 10 year capital forecast as presented in the 2000 Capital Budget.

Based on the Departmental recommendations, additional capital authority of \$6.06 million will need to be established by Council in 2000 in order to service the Leitrim lands. Capital authority of \$1.130 million for the South Gloucester Transmission Main and \$4.830 million for the Leitrim Pumping Station, both originally forecast in 2002, will need to be established in 2000. In addition, \$0.1 million of authority will be required for a minor upgrade to the Ottawa South pumping station.

	South Gloucester Transmission Main	Leitrim Pumping Station	South Ottawa Pumping Station Upgrade
	\$000	\$000	\$000
Current Authority	250	585	-
Additional Requirement	1,130	4,830	100
Revised Authority	1,380	5,415	100
<u>Funding</u>			
- Capital Reserves	-	5,415	100
- RDC	1,380	-	-

As per the Region's Development Charge by-law, both the South Gloucester Transmission Main and the Leitrim Pumping Station are identified as growth related projects and can therefore be funded by regional development charges (RDC's).

Sufficient funds are available in the Water RDC Reserve Fund to finance the South Gloucester Transmission Main project.

At present, no significant uncommitted funds are available in the Sewer RDC Reserve Fund to finance the Leitrim Pumping Station project. As additional revenues from development charges are received during the subsequent years, the financing of the project will be adjusted. In the interim, sufficient funds are available in the Sewer Capital Reserve Fund to finance the project.

The financing for the upgrades to the South Ottawa pumping station will be funded from the Water Capital Reserve Fund.

As a condition of the Early Servicing Agreement, the developer will be responsible for the annual carrying charges on the total capital costs of \$6.06 million and the additional operating and maintenance costs estimated at \$25,000 per year. The carrying charges along with the additional operating and maintenance costs will remain in effect until 750 units are constructed or the year 2006, whichever comes first.

In addition, the costs of providing transit services to the Leitrim area, resulting from the expansion of the Urban Transit Area, are to be borne by the developer. A separate agreement with Tartan Land Corporation will be required to reimburse OC Transpo for the cost of servicing the area. The level of reimbursement will diminish as new dwelling units are constructed.

In accordance with the Ottawa Transition Board Financial Guidelines, Board approval of the proposed Early Serving Agreement will be required.

Kent Kirkpatrick
Acting Finance Commissioner

Annex A

REGION OF OTTAWA-CARLETON
RÉGION D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf. 43-98-0118
Your File/V/Réf.

DATE 01 Sept 1999

TO/DEST. Co-ordinator
 Planning and Environment Committee

FROM/EXP. Commissioner
 Planning and Development Approvals

SUBJECT/OBJET **GUIDELINES FOR EARLY SERVICING**

DEPARTMENTAL RECOMMENDATIONS

It is recommended that Planning and Environment Committee and Council approve the Guidelines for Early Servicing contained in this report.

PURPOSE

The Regional Official Plan, *Section 2.6, Development Phasing, Table 6* (attached as Annex A) indicates Regional spending priorities for major water, wastewater, and transportation works to support phased development. On occasion, staff are requested to review development proposals in locations where the Regional Official Plan anticipated future growth would occur in a later phase of development. The proposals, if approved, would either trigger the construction of a Regional facility earlier than anticipated in Table 6 (as modified by the most current approved budget) or require an interim servicing solution.

In recent years when proposals requiring the advancement of Regional water and wastewater infrastructure have been put forward, they have been the subject of individual agreements with developers. These discussions have not included a formal assessment of the implications for the timing of other Regional infrastructure required to service the increased population generated by the development; nor has the potential impact on the Region's overall growth patterns been addressed. Given the fact that financing for Regional transportation projects and other services is lagging noticeably behind funding available for water and wastewater projects, the potential to stimulate the need for these other services can no longer be ignored. Therefore, while the intent of these Guidelines is not to encourage any development to proceed in advance of the Official Plan expectations, they provide a process whereby a comprehensive and consistent approach can be taken when potential proposals are submitted for evaluation.

Under the Early Servicing Guidelines, development proposals would be examined within the context of: their overall impact on Regional planning issues; the Region's ability to provide servicing; and the Region's financial plan. This would include an analysis of all Regional infrastructure services which may need to be advanced as a result of the proposal. The proposed Guidelines are intended to assist with:

- the identification of development proposals which might qualify as potential candidates for early servicing;
- the evaluation of such proposals based on a consistent set of criteria to determine if early servicing can be supported;
- an improved understanding of the full range of the implications for Regional services and funding requirements; and
- the preparation of specific conditions (Early Servicing Agreement) to be met by the proponent as part of the development approval process and agreed upon financing arrangements, should the proposal be supported.

It is noted that the Early Servicing Guidelines pertain to the requirement to advance major Regional services as identified in Table 6 and are not intended to specifically address the requirement to advance smaller Regional projects such as local street watermain rehabilitation - although these projects would be assessed in relation to the range of implications for advancing the major works. If developments require only the advancement of smaller works such as street watermain rehabilitation, requirements could be accommodated through other Regional programs (e.g. the Urban Watermain Upgrade Program).

BACKGROUND

Table 6 of the Regional Official Plan sets out "Key Infrastructure Projects" for geographic areas of the Region. Priorities for water, wastewater and transportation infrastructure are divided into two time horizons. The "first priority" period pertains approximately to the years 1996 to 2001 and the "second priority" period approximately to the years 2001 to 2006. These time horizons are based on the Regional Development Strategy which is the foundation for:

- Regional Official Plan requirements/objectives;
- the Water and Wastewater Master Plans;
- the Transportation Master Plan; and
- the Planning and Environmental Assessment Summary Report (Volumes 1 and 2).

However, it was recognised that the exact timing of the provision of these infrastructure works might be delayed or advanced depending on the current economic climate, the rate of growth in the Region, funding availability and other factors. *Table 6* is reviewed annually during preparation of the Capital Budget and Forecasts and it is during the budget process that Regional Council may consider changes to the *Table's* priorities. Such changes do not require an amendment to the Regional Official Plan.

A development proposal should be reviewed within the context of the Early Servicing Guidelines if it is proposed ahead of the Regional Official Plan's expectations for its development phasing. In most

cases, the proposal will trigger the requirement for the provision of infrastructure in advance of the capital budget provisions. Even if the proponent is willing to construct interim services in advance of the proposed Regional works, Regional staff should conduct an evaluation of the impact of the development on all other Regional services prior to entertaining this proposal.

It is anticipated that the need for early servicing will occur infrequently. However, it is noted that developers in the Pagé Road area in Gloucester and in the Leitrim area have approached Regional staff about developing ahead of the anticipated timing in the Regional Official Plan. Both proposals would require the provision of infrastructure to support development.

GUIDELINES - CRITERIA FOR THE CONSIDERATION OF EARLY SERVICING

It is recommended that development proposals meet the following fundamental requirements before being considered for early servicing by Regional staff and Council:

1. The proposed development must be in conformity with the local and Regional Official Plans.
2. The Regional infrastructure required for the development must be provided for in the Regional Official Plan and associated Master Plans (as amended through the Budget Process) within a ten-year time horizon from the date of application.
3. A local Official Plan, Secondary Plan or a locally-adopted Concept Plan must indicate how the development lands to be serviced will be integrated with the existing community (e.g. sewer services, transportation links, recreational facilities, stormwater management, transit links).
4. The proposed development lands must be contiguous with existing, registered or draft approved development unless the application is accompanied by a compelling rationale for its non-contiguous location.
5. If the development triggers the early construction of Regional infrastructure to be financed by Regional funds, sufficient monies to support the full cost of the works must be available in the appropriate Regional reserves.
6. Due to budgetary constraints, the proposed development must indicate the need for the advancement of Regional water or wastewater works only. Transportation and transit works must be paid for by the developer. Until the funding supporting Regional transportation infrastructure is noticeably increased, development requiring the advancement of Regional funding for transportation or transit works cannot be considered.
7. If significant increases in Regional operating costs, or capital costs related to other Regional services, would be incurred through acceptance of the proposal, a means of meeting these additional costs will need to be addressed in the early servicing proposal.

8. The proponent must submit a well-considered rationale for the advancement of the development and the infrastructure to support the proposal along with a proposed conceptual servicing plan (for Regional works or interim solutions). During Regional staff's evaluation of the proposal, the proponent may be required to submit additional information (e.g. point 5. below).
9. The area municipality must be in favour of the proposal. (A municipal council resolution in favour of the proposal must accompany the submission prior to the completion of an Early Servicing Agreement.)

EVALUATION OF EARLY SERVICING PROPOSALS

If a proposal meets the criteria to be considered as an Early Servicing proposal, it is recommended that the Regional evaluation include the following:

1. The proposal will be assessed in light of Table 6 of the Regional Official Plan together with the most recent information available from monitoring of land development patterns, capacity allocation, capital budget amendments, etc. The purpose will be to determine the impacts (if any) which the proposed development might have on Regional land use issues, development patterns and other proposed or existing Regional services.
2. The local municipality must be prepared to make arrangements for the provision of local infrastructure and services required to accommodate the development and complement any required Regional services.
3. If the proposal is supported from a planning perspective, staff will determine whether to recommend the advancement of Regional works or to encourage the proponent to service the development through an interim servicing plan. This will include an assessment of the impact of advancing Regional works to undeveloped lands within the servicing areas.
4. If it is deemed appropriate to advance Regional works and services and appropriate funding is available to finance the works, staff will recommend a new timing for the proposed works or a new phased construction plan and any associated required adjustments for future operating budgets. This decision will involve an evaluation of the Region's financial situation in terms of both its capital and operating budgets.
5. Where the option to advance Regional works is recommended, the developer will be required to provide supporting analysis to demonstrate that the demand for the proposed development exists and that the developer is capable of utilising the allocated servicing capacity within an acceptable and agreed upon time frame.

6. If it is deemed appropriate for the developer to construct interim works instead and maintain the phasing plan of Table 6 (as modified by the annual Capital Budget), these interim works will be identified and any potential impact on the Regional and local systems assessed.

If Regional staff recommend the proposal, the proponent(s) would be required to enter into an Early Servicing Agreement with the Region. Regional Council would be asked to approve the Early Servicing Agreement and the method for payment of these services.

COST OF REGIONAL INFRASTRUCTURE

In assessing proposals for an Early Servicing Agreement, the following considerations would influence the calculation of the cost of providing Regional services in advance of the Regional Official Plan's anticipated need:

1. the total capital cost, including engineering, of providing each of the Regional services identified in the Water, Wastewater and Transportation Master Plans associated with the phase of development in the area in which the proposal is situated. The capital cost of each project is estimated broadly in the Planning & Environmental Assessment Summary Report, Volume 2;
2. the maintenance and operating costs of providing all Regional services for the duration of the agreement (e.g. including transit, police, solid waste and other Regional costs);
3. if advancing the required project impacts upon the ability of the Region to provide other proposed services, the costs associated with the change in the scheduling of these services.

PAYMENT OPTIONS AVAILABLE AND PAY-BACK CONSIDERATIONS

Water and Wastewater Infrastructure Works

One to Five Year Time Horizon

If the proposal which is being considered for an Early Servicing Agreement is included in the Capital budget for the next five-year period, the Region will consider advancing the project. This option will be more favourably entertained if the project is within one to three years of planned construction. Proposals in the four to five year time horizon will be looked upon less favourably for advancement but they will still be entertained - however, with a larger component of the total cost being covered by the proponent prior to reimbursement by the Region (e.g. the developer may be required to cover the full cost of the engineering studies, design, etc. and, without reimbursement, any incremental costs related to phasing in advance of identified need).

If the advancement of Regional works is rejected for financial or operational reasons only, the proponent has the option of proceeding under the conditions described under Six to Ten Year Time Horizon below or proceeding with any agreed upon interim works.

If the proposal is included in the Capital budget within the one to five year period and the proponent wishes to have the project started in the current year (e.g. engineering studies and design, etc.), the proponent must pay the full cost of these items in the current year and, if approved by Council, the Region will move the project forward in the Capital budget for construction to begin in the following or agreed upon year.

It is proposed that any costs to be paid back to a proponent would be reimbursed in the latter of: the year in which construction was previously planned for completion in the budget (prior to the application) or the year in which a pre-specified number of units have been constructed. The chosen condition will be included in the Early Servicing Agreement.

Six to Ten Year Time Horizon

Although proposals which require the advancement of Regional services intended for the six to ten year time horizon will be considered, they will generally not be looked upon favourably and, if accepted, a greater share of the cost of advancing the infrastructure works will be born by the proponent.

It is proposed that if the proposal which is being considered for an Early Servicing Agreement is included in the Capital budget for the six to ten year period, the proponent must pay the initial full capital cost of the required works plus interest to the point of reimbursement. Reimbursement of the capital cost to the proponent would be considered in the latter of the year in which the project was intended to be constructed (Table 6 projection as amended by the most recent Capital budget) or the year in which a pre-specified number of units have been built. The option chosen will be included in the Early Servicing Agreement.

Where any interim solutions are indicated, the developer would cover the full costs related to the solutions.

Pay-back Considerations

In determining the pay-back period, staff may consider any decisions or development trends which in their opinion would likely delay or advance the period. In all cases, the pay-back period will be established in the Early Servicing Agreement to be approved by Regional Council. Reimbursement to the proponent will not include interest on principal. All pay-backs will be based on actual capital costs including engineering.

Transportation Infrastructure Works

Where a development requires the advancement of Regional transportation or transit infrastructure and the proponent is willing to pay for these works, the proponent would be required to pay for the full capital costs without reimbursement. For projects included under Regional Development Charges, credit must be given for the transportation and/or transit component of the charge up to the total cost of the transportation and/or transit works provided by the developer. Administrative assistance could be provided should the proponent wish to enter into a front-ending agreement with other benefiting land owners as per the Development Charges Act.

QUALITY STANDARDS FOR INFRASTRUCTURE SERVICES

Any works to be built, operated and maintained must meet either Regional or another mutually agreed upon standard (the latter refers to the possibility of interim facilities). Prior to assumption of works, the Region will inspect the infrastructure to ensure that the useful life has not been unduly shortened due to inadequate maintenance. The proponent will be financially responsible for rectifying any deficiencies. Such requirements would be included in any Early Servicing Agreement.

APPROVAL PROCESS

It is proposed that the evaluation of early servicing proposals be integrated into the planing approval process in the following manner:

1. *Pre-consultation: Evaluate Feasibility of Early Servicing Agreement*
 Planning and Development Approvals Department staff will arrange a pre-consultation meeting with the proponent of the development at which time the proponent will be advised of the guidelines and staff will advise on the feasibility of an Early Servicing Agreement being *considered* for this development. Local municipal staff would be invited to the meeting to discuss the implications for the municipality, local service requirements and interface with the Regional systems. If the proposal meets the criteria for an Early Servicing Agreement and is considered feasible, it would proceed to step 2.
2. *Prior to Circulation of Plan of Subdivision: Determine Contents of Early Servicing Agreement*
 - a) The proponent will submit a written proposal indicating the location of the development, the amount of development, the proposed road layout to determine transit routings, and conceptual servicing strategies. If there is a concept plan with sufficient detail, this could substitute for the proponent's submission.
 - b) Regional staff and the proponent would agree on the Regional infrastructure and services required to support the proposal based on a review of the Master Plans and the implementation of the Plans to date and/or on the interim infrastructure solution(s) which might permit the development to proceed. There would also be discussion concerning the general funding solution (e.g. advancement, pay back option).
 - c) Regional staff will consult with local municipal staff regarding their requirements.
 - d) The proponent will establish Terms of Reference for a cost analysis regarding all Regional infrastructure and services which may be required to service the development. (This analysis is required as, in addition to particular infrastructure works directly related to the proposal, the development may increase costs in parts of the Regional transportation/transit network or for other Regional services which are not readily apparent). Regional staff will provide any available information which may assist the analysis. The local municipality may also wish to require the proponent to include an

analysis of local service costs. The Terms of Reference for the cost analysis are to be agreed to by the Region.

3. *Prior to Draft Plan Approval (during circulation)*

- a) The proponent's consultant will analyse the total Regional infrastructure/service costs of development. Regional staff will review the report, consult with municipal staff and/or other agencies when appropriate and provide comments on the report. (An Early Servicing Agreement will not be prepared without staff concurrence on the conclusions of this report.)
- b) The draft Early Servicing Agreement will be prepared by Regional staff.
- c) A Report to Planning Committee and Council to seek approval of the contents of the proposed Early Servicing arrangements will be prepared.

or

Prior to Registration

It is intended that the Agreement be signed prior to draft plan approval. However, if an unexpected time constraint exists, an option would be to require the owner to agree to the following clause: "Prior to final approval, the owner shall enter into an Early Servicing Agreement approved by Council" as a condition of draft plan approval.

DEVELOPMENT CHARGES ACT

Any Early Servicing Agreement must comply with the provisions of the Development Charges Act. When discussing the Terms of Reference for the cost analysis, staff will advise the proponent of any impacts resulting from the Development Charges Act.

PUBLIC CONSULTATION

Earlier drafts of this report have been circulated for comment to area municipalities and to the Ottawa-Carleton Homebuilders Association, the Building Owners and Managers Association and interested developers. In addition, consultations have been held with the development community's representatives. Comments received from municipalities and developers have been supportive of the Region entertaining Early Servicing Agreements. Changes resulting from questions and comments raised during these consultations and from the circulation of the document have been incorporated into the final report.

FINANCIAL IMPLICATIONS

The financial implications will vary according to individual agreed upon funding arrangements.

If a project is advanced in the Capital budget, this will require the establishment of the capital authority in the year in which the engineering design is undertaken and funding will be taken from the appropriate funding source at the appropriate time.

If the developer pays the initial capital cost of a Regional project, entering into an Early Servicing Agreement will require Regional Council to establish the capital authority in the year in which the agreement is executed. However, when reimbursement to the developer is required to be made, the financing of the project will be reviewed to determine whether uncommitted reserve funds or development charge revenues are available to assist in the funding. The actual reimbursement to the developer would not occur until the year or number of units specified in the Early Servicing Agreement.

All costs associated with an interim solution including any cost for its removal are expected to be met by the proponent and, therefore, would not have direct financial implications for the Region. Any potential indirect costs to the Region will be assessed as part of the evaluation of the proposal.

At the present time, Regional staff are not proposing that a fee be charged for the review of Early Servicing proposals and the preparation of Early Servicing Agreements. However, staff will monitor the situation in terms of the number and complexity of any proposals. If a fee appears to be justified, this may be recommended at a future time.

CONCLUSIONS

The Early Servicing Guidelines will provide staff with a comprehensive and consistent process to assess unanticipated development proposals. They will ensure that these developments are evaluated within the context of the direction and policies of the Official Plan and that their impact on all Regional services is more clearly understood. Thus, if these proposals are subsequently recommended to Council with an Early Servicing Agreement, there will be greater confidence that potential negative impacts on the Regional taxpayer will have been avoided or mitigated.

Annex B

City of Gloucester Council resolution on October 26, 1999:

WHEREAS Gloucester City Council has reviewed the Planning Advisory Committee Recommendation to favour completion of an “Early Servicing Agreement” for the Leitrim Community as requested by the Tartan Development Corporation;

AND WHEREAS Council concurs with the recommendations of the Planning Advisory Committee;

NOW THEREFORE BE IT RESOLVED that Council hereby favours completion of a “Early Servicing Agreement” to provide for extension of Regional trunk services to the Leitrim Community.

Urban Residential Land Supply and Unit Potential by Development Status, July 1999

Area	Registered		Draft Approved		Pending		No Plan		Total	
	Land Supply (Net ha)	Unit Potential	Land Supply (Net ha)	Unit Potential	Land Supply (Net ha)	Unit Potential	Land Supply (Net ha)	Unit Potential	Land Supply (Net ha)	Unit Potential
Inside Greenbelt										
Ottawa	67.9	3,760	17.8	601	19.8	1,883	31.9	4,191	137.4	10,435
Vanier	0.0	0	0.0	0	0.0	0	2.6	314	2.6	314
Rockcliffe	1.4	7	0.0	0	0.0	0	0.0	0	1.4	7
Gloucester	17.8	387	1.7	67	6.5	263	2.9	530	28.9	1,247
Nepean	9.2	904	0.8	60	0.0	0	8.3	890	18.3	1,854
IG Total	96.3	5,058	20.3	728	26.3	2,146	45.7	5,925	188.6	13,857
Urban Centres										
Stittsville	6.0	119	65.0	1,412	122.1	1,816	7.6	166	200.7	3,513
Kanata	75.9	2,375	156.4	5,153	104.1	4,716	168.0	4,299	504.4	16,543
<i>WUC Total</i>	<i>81.9</i>	<i>2,494</i>	<i>221.4</i>	<i>6,565</i>	<i>226.2</i>	<i>6,532</i>	<i>175.6</i>	<i>4,465</i>	<i>705.1</i>	<i>20,056</i>
SUC-Nepean	23.9	702	42.1	1,281	232.7	5,092	512.4	12,771	811.1	19,846
SUC-Gloucester	30.1	658	18.3	387	28.2	996	327.6	8,451	404.2	10,492
<i>SUC Total</i>	<i>54.0</i>	<i>1,360</i>	<i>60.4</i>	<i>1,668</i>	<i>260.9</i>	<i>6,088</i>	<i>840.0</i>	<i>21,222</i>	<i>1,215.3</i>	<i>30,338</i>
EUC-Gloucester	39.9	1,994	13.3	403	29.7	809	137.1	3,588	220.0	6,794
EUC-Cumberland	18.5	639	59.8	1,694	91.7	2,433	251.9	5,481	421.9	10,247
<i>EUC Total</i>	<i>58.4</i>	<i>2,633</i>	<i>73.1</i>	<i>2,097</i>	<i>121.4</i>	<i>3,242</i>	<i>389.0</i>	<i>9,069</i>	<i>641.9</i>	<i>17,041</i>
Leitrim	0.0	0	13.2	523	68.6	2,232	72.0	1,270	153.8	4,025
UC-Total	194.3	6,487	368.1	10,853	677.1	18,094	1,476.6	36,026	2,716.1	71,460
Total	290.6	11,545	388.4	11,581	703.4	20,240	1,522.3	41,951	2,904.7	85,317

Growth Rates by OP Area

	1999 Total Dwelling Units	2006 Capacity	Continuation of 1 Year Growth			
			1999 Total Growth	Average Annual Growth	2006 Total	Difference to Capacity
Inside Greenbelt	218,864	240,000	1,390	1,390	228,594	-11,406
Nepean SUC	10,945	17,500	715	715	15,950	-1,550
Gloucester SUC	546	3,500	250	250	2,296	-1,204
Leitrim	0	1,500	0	0	0	0
Total SUC	11,491	22,500	965	965	18,246	-4,254
Kanata Urban Centre	17,159	22,500	829	829	22,962	462
Stittsville	4,482	8,000	211	211	5,959	-2,041
Total WUC	21,641	30,500	1,040	1,040	28,921	-1,579
Cumberland EUC	12,860		475	475	16,185	16,185
Gloucester EUC	14,054		295	295	16,119	16,119
Total EUC	26,914	29,000	770	770	32,304	3,304
Rural	25,894	30,500	467	467	29,163	-1,337
RMOC	304,804	352,500	4,632	4,632	337,228	-15,272

	1999 Total Dwelling Units	2006 Capacity	Continuation of 3 Year Growth			
			1996-99 Total Growth	Average Annual Growth	2006 Total	Difference to Capacity
Inside Greenbelt	218,864	240,000	4,604	1,535	229,607	-10,393
Nepean SUC	10,945	17,500	1,656	552	14,809	-2,691
Gloucester SUC	546	3,500	546	182	1,820	-1,680
Leitrim	0	1,500	0	0	0	0
Total SUC	11,491	22,500	2,202	734	16,629	-5,871
Kanata Urban Centre	17,159	22,500	2,131	710	22,131	-369
Stittsville	4,482	8,000	709	236	6,136	-1,864
Total WUC	21,641	30,500	2,840	947	28,268	-2,232
Cumberland EUC	12,860		1,141	380	15,522	15,522
Gloucester EUC	14,054		871	290	16,086	16,086
Total EUC	26,914	29,000	2,012	671	31,609	2,609
Rural	25,894	30,500	1,156	385	28,591	-1,909
RMOC	304,804	352,500	12,814	4,271	334,703	-17,797

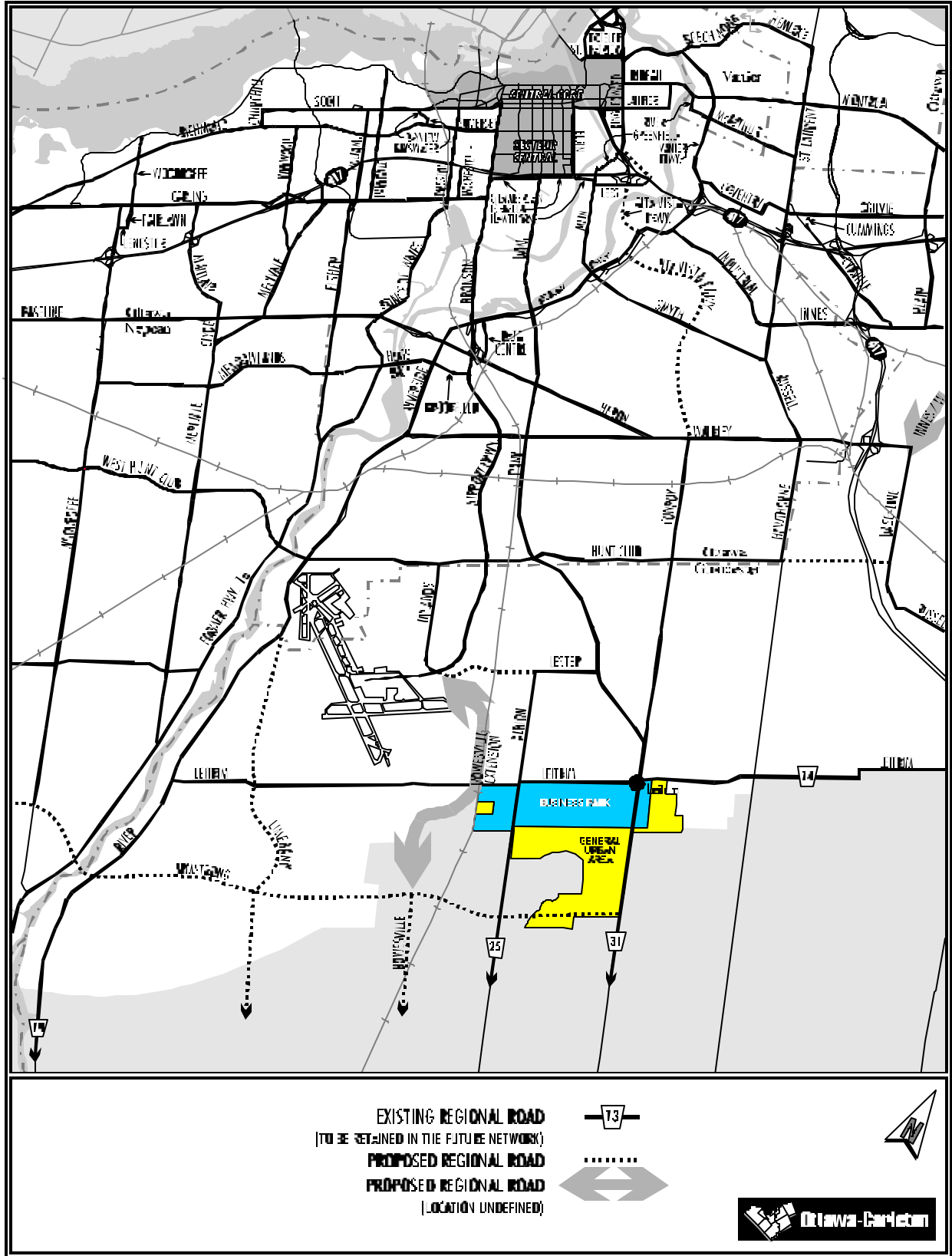
	1999 Total Dwelling Units	2006 Capacity	Continuation of 5 Year Growth			
			1994-99 Total Growth	Average Annual Growth	2006 Total	Difference to Capacity
Inside Greenbelt	218,864	240,000	6,594	1,319	228,096	-11,904
Nepean SUC	10,945	17,500	2,500	500	14,445	-3,055
Gloucester SUC	546	3,500	546	182	1,820	-1,680
Leitrim	0	1,500	0	0	0	0
Total SUC	11,491	22,500	3,046	682	16,265	-4,735
Kanata Urban Centre	17,159	22,500	3,080	616	21,471	-1,029
Stittsville	4,482	8,000	1,086	217	6,002	-1,998
Total WUC	21,641	30,500	4,166	833	27,473	-3,027
Cumberland EUC	12,860		1,639	328	15,155	15,155
Gloucester EUC	14,054		1,221	244	15,763	15,763
Total EUC	26,914	29,000	2,860	572	30,918	1,918
Rural	25,894	30,500	1,681	336	28,247	-2,253
RMOC	304,804	352,500	15,301	3,060	326,225	-26,275

Annex D

The following terms are recommended for inclusion in an Early Servicing Agreement to be signed between Tartan Land Corporation and the Region of Ottawa-Carleton:

1. The Region of Ottawa-Carleton will advance capital authority (\$1.13 million) from 2002 to 2000 for the South Gloucester Transmission Main (project 900438) and (\$4.83 million) for the Leitrim Pumping Station, Forcemain and Gravity Sewer (project 900217) and add capital authority in 2000 for an upgrade to the Ottawa South Pumping Station (\$100,000) for the construction of these projects.
2. The maximum number of draft approved residential units be limited to 1,500 in Leitrim until such time as the capital authority for the Airport Parkway Twinning/Bowesville Road Extension or another acceptable transportation solution is identified in the Capital Budget.
3. Tartan Land Corporation will pay to the Region the carrying charges on the cost of providing the works based on invoices rendered quarterly by the Region, at an interest rate, adjusted quarterly, based on ninety (90) day bankers acceptances plus fifty (50) basis points and the additional annual operating and maintenance costs (\$25,000) associated with the advancement of the projects outlined in point 1 above. These costs will be reduced proportionately by the number of building permits issued on the Leitrim lands to seven hundred and fifty (750) dwelling units with all obligations being ended for this purpose upon completion of the month in which the issuance of the building permit for the seven hundred and fiftieth (750) dwelling unit for the lands takes place or the year 2006 which ever comes first.
4. The Region of Ottawa-Carleton will extend the Urban Transit Area to include the area of intended development. Tartan Land Corporation will negotiate a separate agreement with OC Transpo and will assume the costs of having transit services expanded to this area. The costs of the service to be charged to Tartan will be based on the difference between the cost of providing the transit service and the revenues received up to a predetermined threshold of dwelling units constructed.
5. Any transportation improvements required to accommodate traffic generated by the Leitrim community will be at the cost of Tartan Land Corporation to be secured through conditions of draft approval.
6. Any development of the Leitrim growth area not in the ownership of Tartan which requires the Regional services provided, as a result of this agreement between Tartan Land Corporation and the Region, shall pay a proportional share of the costs attributed to Tartan in accordance with an agreed-upon formula for distribution of costs.

Map A



Map B

