

REGION OF OTTAWA-CARLETON
 RÉGION D'OTTAWA-CARLETON

REPORT
 RAPPORT

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TO/DEST. Co-ordinator
 Planning and Environment Committee

FROM/EXP. Commissioner
 Planning and Development Approvals

SUBJECT/OBJET **GUIDELINES FOR EARLY SERVICING**

DEPARTMENTAL RECOMMENDATIONS

That the Planning and Environment Committee recommend that 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 planning 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.

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.

*Approved by
N. Tunnacliffe, MCIP, RPP*

Table 6
Key Infrastructure Projects for Phase 1 Developments
First Priority

Area	Wastewater	Water	Transportation
<i>Inside Greenbelt</i>	<ul style="list-style-type: none"> • 3 Diversions • CSO Tunnel and Regulators 	<ul style="list-style-type: none"> • Watermain (Hurdman to Billings) • Expand Hurdman Bridge Pumping Station 	<ul style="list-style-type: none"> • West Transitway Phase 1 • Mackenzie King Bridge Transitway Station • Hawthorne Rd. (Hunt Club Rd. to Russell Rd.) • Airport Parkway/Hunt Club/Walkley ramps • Conroy Road widening (Hunt Club to Walkley Road) • Transit priority measures • Pilot rail rapid transit project • Pooley's Bridge Rehabilitation • (Appeal 32)
<i>Orléans Urban Centre</i>	<ul style="list-style-type: none"> • Orléans-Cumberland Collector (pumping station and forcemain) • Gloucester-Cumberland rehabilitation • Cumberland gravity sewer extensions • Ottawa River Sub-Trunk 		<ul style="list-style-type: none"> • Highway 17 shoulder bus lane (eastbound)
<i>Kanata Urban Centre and Stittsville</i>	<ul style="list-style-type: none"> • Tri-Township Collector rehabilitation 		<ul style="list-style-type: none"> • March Road widening (Solandt Road to Klondike Road)
<i>Nepean South Urban Centre</i>	<ul style="list-style-type: none"> • Gravity sewer extensions 	<ul style="list-style-type: none"> • New elevated tank • Watermain - Greenbank Road to new tank 	<ul style="list-style-type: none"> • Fallowfield Park & Ride lot
<i>Gloucester South Urban Centre</i>			
<i>Leitrim</i>			
<i>All Urban Areas</i>			<ul style="list-style-type: none"> • Walking & cycling facility improvements included where appropriate in the above projects • Walking & cycling facility improvements independent of the above projects

Notes: All areas have large diameter internal watermain requirements not shown on this table. Phasing is approximate and actual timing depends on monitoring development over the 10-year time frame. First Priority is approximately up to 2001. Transportation works in progress as of December 1996 are not included.

Table 6
Key Infrastructure Projects for Phase 1 Developments
Second Priority

<i>Area</i>	<i>Wastewater</i>	<i>Water</i>	<i>Transportation</i>
<i>Inside Greenbelt</i>	<ul style="list-style-type: none"> • Cave Creek Collector replacement • Alvin Heights Collector replacement 	<ul style="list-style-type: none"> • Expand Carlington Heights Pumping Station • Ottawa South Pumping Station - add pumps 	<ul style="list-style-type: none"> • Southwest Transitway extension* • Airport Parkway twinning ** • Bronson Avenue widening (Dunbar Bridge to Canal) • Transit priority measures • LeBreton Transitway station • (Appeal 32)
<i>Orléans Urban Centre</i>	<ul style="list-style-type: none"> • Forest Valley – pumping station, forcemain, gravity sewers • Cumberland gravity sewer extensions 		<ul style="list-style-type: none"> • Innes Road widening (Orléans Blvd. to Tenth Line Rd.)
<i>Kanata Urban Centre and Stittsville</i>	<ul style="list-style-type: none"> • Hazeldean pumping station - add pumping capacity and forcemain • March area gravity sewer 	<ul style="list-style-type: none"> • New elevated tank • Watermain - Barrhaven to Kanata 	<ul style="list-style-type: none"> • Carling Ave. widening (March Rd. to Moodie Dr.) • Hazeldean Road widening
<i>Nepean South Urban Centre</i>	<ul style="list-style-type: none"> • Gravity sewer extensions 		<ul style="list-style-type: none"> • Southwest Transitway extension*
<i>Gloucester South Urban Centre</i>			<ul style="list-style-type: none"> • River Rd. widening (Limebank Rd. to Hunt Club Rd.) • Bowesville Rd. extension (Leitrim Rd. to Lester Rd.) • Airport Parkway twinning **
<i>Leitrim</i>	<ul style="list-style-type: none"> • Gravity sewer extensions • Pumping station and forcemain 	<ul style="list-style-type: none"> • Expand South Gloucester pumping station 	<ul style="list-style-type: none"> • Leitrim Park & Ride lot
<i>All Urban Areas</i>			<ul style="list-style-type: none"> • Walking & cycling facility improvements included where appropriate in the above projects • Walking & cycling facility improvements independent of the above projects
<i>Pickard Centre</i>	<ul style="list-style-type: none"> • Outfall 		

Notes: All areas have large diameter internal watermain requirements not shown on this Table. Phasing is approximate and actual timing depends on monitoring development over the 10-year time frame. Second Priority is approximately 2001-2006.

* *The Southwest Transitway extension serves inside the Greenbelt and Nepean South Urban Centre.*

** *The Airport Parkway twinning serves inside the Greenbelt and Gloucester South Urban Centre and Leitrim.*