



Report

**Subject: Edgewood Valley Phase 2B, Development Charges
Credit Agreement for Constructing Hansen Boulevard**

Department: Infrastructure Services

Division: Planning

Report #: INS-2025-010

Meeting Date: 2025-05-12

Recommendations

That report INS-2025-010, Edgewood Valley Phase 2B, Development Charges Credit Agreement for Constructing Hansen Boulevard, be received; and

That Council pass a By-law authorizing the Mayor and Clerk to execute a Development Charges Credit Agreement with NG Citrus Limited in substantially the same form as that included in Attachment No. 1 to this report.

Overview

In 2021, Council draft-approved a plan of subdivision known as the Edgewood Valley Phase 2B Plan. The subdivision lands are located to the west of Blind Line and the Mason Street and Meyer Drive residential area. The 2B Plan serves as a next phase of residential development extending west of this existing subdivision area. It will create a total of approximately 118 new detached and townhouse dwelling lots, along with a block containing the existing lower Monora Creek tributary traversing the south limit of the Plan.

Hansen Boulevard is a Major Collector Road spanning east-to-west across the northern area of the Town. Part of the last remaining unconstructed segment of Hansen Boulevard to complete the continuous planned stretch of this road falls within the 2B Plan. Notwithstanding that part of the unconstructed section of Hansen Boulevard falls outside of the 2B Plan, a draft approval condition for this plan requires the developer to construct the entire remaining segment with the 2B Plan. This, and all other draft approval conditions must be fulfilled before final approval can be issued, which then allows home construction to begin within the Plan.

Since draft approval was issued in 2021, the developer has proceeded with their detailed engineering design submission and approval process. In 2022, the lands were

acquired by new owners (NG Citrus Limited) who continued with the design submission and approval process.

For any new subdivision development, the developer is responsible for designing and constructing the subdivision infrastructure works (i.e. roads, services, etc.) needed to service the future homes within their Plan. As growth and development proceeds within the overall community, broader increases to services and infrastructure are needed to accommodate this cumulative growth. Development Charges (DC's) are collected to recover costs associated with growth-related infrastructure to the extent permitted by the Development Charges Act, 1997.

Hansen Boulevard is a designated Major Collector Road and its planned function will accommodate community transportation needs beyond that of the immediate 2B Plan of subdivision. The Town's previous DC Background Studies have identified this stretch of Hansen Boulevard (i.e. between Blind Line and Veteran's Way) as an infrastructure item to serve future growth. Section 38 of the Development Charges Act allows municipalities to enter into an agreement with a developer for them to perform work associated with a service or item that a DC by-law covers, in exchange for a credit toward the applicable development charge(s) attributable to that service, which they would otherwise be required to pay.

Since the developer will be constructing Hansen Boulevard to a Major Collector Road standard that exceeds the "local subdivision road" condition, they are entitled to DC credits in exchange for this construction "over-sizing". Staff have prepared a DC Credit Agreement in consultation with the Town's solicitor and through negotiations with the developer, which sets out the terms for satisfactorily completing the road, future maintenance obligations, determining the related construction (i.e. "oversizing") costs eligible for corresponding DC credits, and the means for administering the DC credits.

The DC Credit agreement proposed for execution is included as Attachment 1 to this report. Staff recommend that Council authorize the Mayor and Clerk to execute this agreement on its behalf, which will satisfy a critical milestone towards the developer commencing construction of its Plan and Hansen Boulevard. A related Subdivision Servicing Agreement has also been prepared for execution with the developer, which will set the terms for how construction of the subdivision and road works will proceed. Staff understand that the developer anticipates commencing construction in the spring of this year, pending execution of the above-referenced agreements.

Background

On February 22, 2021, Council draft-approved the Edgewood Valley Phase 2B plan of subdivision (the "subdivision" or "2B Plan"). The subdivision lands are located to the west of Blind Line and the Mason Street and Meyer Drive residential area. The 2B Plan functions as a second phase of residential development extending west from the existing Meyer Drive-Mason Street subdivision area to the east (formerly the Edgewood Valley Phase 2A development).

The draft-approved 2B Plan will create a total of approximately 118 new dwelling units, comprised of 51 single detached lots, 17 on-street townhouse units and a low-density multiple residential block planned to contain approximately 50 future townhouse units. In addition, the plan will create an open space conservation block for the South Lower Monora Creek tributary and a block for a stormwater management facility at the northwest corner of Hansen Boulevard and Blind Line.

A portion of the remaining unconstructed segment of Hansen Boulevard falls within the 2B Plan. Hansen Boulevard is a Major Collector Road spanning east to west across the northern part of the Town.

The unconstructed Hansen Boulevard segment extends between its current terminus points at College Avenue (west) and Mason Street (east). The easternmost part of this stretch falls within the 2B Plan. Another part falls within adjacent subdivision lands known as the NG Citrus/Aldenhill plan of subdivision. These lands are owned by the same developer (NG Citrus Limited) as the 2B Plan, and includes a crossing over South Lower Monora Creek. The Town retained private sector contractors to design and construct the creek crossing structure, which was completed in August 2023.

A third westernmost part of this stretch is located between the creek crossing area and the western terminus of Hansen Boulevard at College Avenue. This part of the unstructured road segment is situated on Town-owned right-of-way lands. It was not constructed with previous developments in that area because of the uncertainties surrounding the adjacent creek crossing to be constructed in the future. The map figure below illustrates the parts of the remaining Hansen Boulevard stretch:

Legend

- 1) **Plan** Boundary (green outline)
- 2) **Road** within **Plan** (solid red)
- 3) **Road** within **NG Citrus/Aldenhill** (solid blue)
- 4) **Road** within **Town-owned lands**, including Part 2, 7R-5469; Block 42, 7M-70 and unopened Hansen Boulevard (solid yellow)
- 5) **Road-Associated Infrastructure** within **Town-owned lands**, including Part 2, 7R-5469 and Block 99, 7M-70 (solid orange)
- 6) **Creek Crossing Project** area (purple outline)



(Above: map illustrating the segments of Hansen Boulevard within the 2B Plan area, and external lands)

The developer of the 2B Plan must design and construct the full connecting segment of Hansen Boulevard remaining (i.e. the part within their 2B Plan, the part within the adjacent subdivision lands and the part on Town-owned lands). This is required by one of the conditions of draft approval for the 2B Plan. The developer must satisfy all draft-approval conditions in order to obtain final approval and legally create the lots/blocks within the plan. Satisfying conditions of draft approval generally involves designing and constructing the infrastructure within the plan and executing an agreement(s) with the Town to ensure all obligations are met with respect to the subdivision development.

Analysis

For any new development, a developer is responsible for completing all infrastructure needed (either new infrastructure or increases/expansions to existing infrastructure) to support their development. As growth and development proceeds within the broader community, increases to services and infrastructure are needed to accommodate this cumulative growth. Therefore, Development Charges (DC's) enable municipalities to collect funds from new developments to cover costs for expansions or improvements to

infrastructure and services that will support this broader growth generated by new developments.

While the developer is required to fully construct the remaining segment of Hansen Boulevard, they would normally be required to construct at their expense, only the extent of this roadway that falls within the 2B Plan, and to a “local” condition (i.e. the extent of road and services required only to facilitate that development), which typically equals an 18.5 metre-wide right-of-way. Hansen Boulevard is a planned Major Collector Road, and must be designed and constructed to a 30.0 metre-wide right-of-way serving other development areas beyond the subdivision lands. The developer must therefore “up-size” Hansen Boulevard to the Major Collector Road profile, beyond the “local” road profile to serve planned growth in these areas.

Development Charges Credit Agreement

The Town’s DC Background Study identified this stretch of Hansen Boulevard (i.e. between Blind Line and Veteran’s Way) as an infrastructure item to serve future growth, which DC’s intend to cover. Section 38 of the Development Charges Act allows municipalities to enter into an agreement with a developer for them to perform work associated with a service or item that a DC by-law covers, in exchange for a credit toward the applicable development charge(s) attributable to that service, which they would otherwise be required to pay. The developer for the 2B Plan will be performing the work to construct Hansen Boulevard as a Major Collector Road, which is upsizing beyond the local condition and therefore falls under a class of services that DC’s have been set to cover pursuant to the Town’s DC By-law. As compensation for their costs for completing (or up-sizing) this infrastructure, the developer is entitled to credits towards their development charges payment obligations.

Essentially, the remaining Hansen Boulevard segment will be built entirely by the developer at their cost up-front. Once completed to the Town’s satisfaction, the developer can proceed with satisfying this, and other draft approval conditions towards final approval. Following this, home construction can proceed and as building permits are issued, the developer will receive credits towards their development charges payable. The total costs of all eligible “up-sizing” works to complete Hansen Boulevard to a Major Collector Road condition will be credited towards the DC’s owing for the dwelling units in the 2B Plan.

For the Hansen Boulevard segment on Town-owned right-of-way lands (i.e. between the creek crossing and College Avenue intersection), the developer is entitled to reimbursement of its costs to construct this segment, because it is on Town-owned property and on lands that would have been completed by previous developments. Staff will follow-up with a separate report with more details about the cost of this work with recommended budget allocations to fund those costs.

Corporate Implications

The Town's DC By-law does not delegate authorization or authority to enter into a development charge credit agreement. Staff therefore recommend that Council authorize the Mayor and Clerk to execute a development charge credit agreement in substantially the same form as included in Attachment No. 1 to this report.

The agreement outlines the anticipated costs of completing the up sizing of Hansen Boulevard for which the developer is entitled corresponding development charges credits and how those credits are apportioned and issued. The following provides a breakdown of the estimated costs (including HST) for constructing the Hansen Boulevard segment:

Total Town-owned Segment: (100% reimbursable to developer)	\$ 648,865
Total Local Road component - 18.5m RoW: (Paid by developer)	\$ 765,817
Total Major Collector Road component - 30.0m RoW: (DC Credits owing to developer)	<u>\$ 1,397,745</u>
Total Hansen Boulevard Construction	\$2,812,427

Note that the above costs are estimates only, based on 2023 pricing estimates. The DC Credit Agreement requires actual costs to be provided for verification and corresponding reimbursements for Town-owned segment lands and DC credit calculations. It is expected, based on current plans, that there will be sufficient development charge credits available to cover the costs related to the major collector road component, currently estimated at \$1.398 million. Any costs not recovered by the developer through the DC credits related to this work would be paid by the Town to the developer.

Additional terms of the agreement specify requirements and conditions for:

- determining actual construction costs once completed;
- the method for development charge credit calculations and how credits will be issued;
- completing the road to a satisfactory condition, with related maintenance responsibilities and obligations for the developer and the Town (since it will be open to the public and subject to winter maintenance by the Town while still under the developer's warranties); and
- liability and indemnification for the Town and the developer, for the developer's road construction work related to the Town's private sector contractor's creek crossing project.

In addition to the above, the agreement contains provisions that will commit servicing capacity allocation for the future subdivision development lands, since the developer is

front ending a portion of the Hansen Boulevard stretch that will service those future subdivision lands. Conditions of this capacity allocation commitment require the owner to pre-pay a portion of DC's owing upfront, that being the Town-wide Water and Wastewater development charges for 30% of the units within the future phase plans upon draft plan approval. The developer will provide an irrevocable letter of credit as security upon executing this agreement which will be released once the payment is made upon draft plan approval. The Town will be able to use these funds for ongoing infrastructure projects related to improving water supply capacity. The terms of this servicing capacity allocation commitment would expire after 10-years following draft-plan approval of the future subdivision lands, if they have not progressed towards final approval.

For the developer to commence construction, the Town will execute a Subdivision Servicing Agreement in conjunction with the DC Credit Agreement. The Servicing Agreement sets-out terms and conditions for how construction is to proceed according to the developer's detailed engineering plans that have been reviewed by the Town. This agreement contains an obligation requiring the developer to **complete** the connecting segment of Hansen Boulevard to the satisfaction of the Town within 12-months of the later of:

- i) the date of executing the DC Credit agreement and Subdivision Servicing Agreement;
- ii) full Town and Agency approval of the detailed engineering design of the subdivision infrastructure; or
- iii) the date the "Aldenhill" (SUB-2018-01) and "Transmetro" (SUB-2018-02) subdivision applications receive draft approval. These applications lands are owned by the same developer (NG Citrus Limited) as the 2B Plan subject to these agreements.

The developer must **complete** (not commence) construction within 12-months from the latest date of the items listed above. Staff understand that the developer is planning to commence construction this summer of 2025, following execution of the DC Credit and Servicing Agreements and subject to sales. Once construction starts, the developer will have a more accurate completion timeframe, however their goal is to have construction proceed through until the end of the year.

Conclusion

Staff have negotiated the attached DC Credit Agreement terms and conditions with the developer, to ensure that they construct the road to the collector road profile requirements of the Town and receive corresponding credits towards their development charge obligations for this development. Staff recommend that Council authorize the Mayor and Clerk to execute this agreement on its behalf, which will satisfy a critical milestone towards the developer commencing construction.

Strategic Alignment

Strategic Plan

Strategic Goal: Economic Resilience

Objective: Ensure availability and affordability of employment lands and housing

Sustainable Neighbourhood Action Plan

Theme: Land Use and Planning

Strategy: Co-ordinate land use and infrastructure planning to promote healthy, liveable and safe communities.

Notice Provisions

There are no public notice provisions applicable to this report.

Respectfully submitted,

Tim Kocialek, P.Eng., PMP
General Manager,
Infrastructure Services

Prepared by:

Brandon Ward, MCIP, RPP
Manager of Planning,
Infrastructure Services

Attachment(s): 1. DC Credit Agreement, Town of Orangeville and NG Citrus Limited