

**12. DEFERRAL AND WAIVER OF DEVELOPMENT CHARGES - 5225/5371
BOUNDARY ROAD**

**REPORT DES REDEVANCES D'AMÉNAGEMENT ET EXONÉRATION DES
INTÉRÊTS - 5225/5371, CHEMIN BOUNDARY**

COMMITTEE RECOMMENDATIONS

That Council:

- 1. suspend the notice required under Subsections 29. (3) and 34. (1) of Procedure By-law 2016-377 to consider this Motion at its meeting on 11 July, 2018;**
- 2. approve:**
 - a. the deferral of the municipal portion of the DCs until the project is completed, or for 18 months, whichever is the lesser; and**
 - b. that in lieu of Broccolini covering all costs associated with bringing services to the site, and in particular the extension of the Carlsbad Springs trickle feed line, which will be assumed as municipal infrastructure upon completion, the roadway modifications be exempt from paying the interest applied to the deferral of the payment of DCs; and**
 - c. that Broccolini enter into an agreement, to the satisfaction of the General Manager of Planning, Infrastructure and Economic Development and the City Solicitor, setting out the details for the deferral of the payment of DCs and the waiver of interest charges, subject to Broccolini constructing and paying for the extension of water services to the site and implementing the roadway modifications, with such agreement to be registered if permitted under the *Land Titles Act*.**

RECOMMANDATIONS DU COMITÉ

Que le Conseil :

1. suspende l'obligation de publier un avis, en vertu des paragraphes 29(3) et 34(1) du *Règlement de procédure*, pour étudier cette motion à sa réunion du 11 juillet 2018;
2. approuve :
 - a. le report du paiement de la part municipale des redevances d'aménagement à la fin du projet, ou dans 18 mois, selon ce qui arrive en premier;
 - b. qu'en échange de la prise en charge des coûts de raccordement des services d'eau au site, en particulier des coûts d'extension du système de distribution à faible débit de Carlsbad Springs, qui tiendra lieu d'infrastructure municipale à la fin du projet, Broccolini soit exemptée des intérêts applicables au report du paiement des redevances d'aménagement relatives aux modifications de la chaussée;
 - c. que Broccolini signe une entente, à la satisfaction du directeur général de la Direction générale de la planification, de l'infrastructure et du développement économique et de l'avocat général, donnant des précisions sur le report du paiement des redevances d'aménagement et l'exemption des intérêts en échange de la construction et du paiement du raccordement des services d'eau au site et de la modification de la chaussée, et enregistrée si la *Loi sur l'enregistrement des droits immobiliers* le permet

DOCUMENTATION / DOCUMENTATION

1. Committee Coordinator's report dated July 10, 2018 (ACS2018-CCS-PLC-0011)

Rapport de la coordonnatrice du comité, daté le 10 juillet 2018 (ACS2018-CCS-PLC-0011)

Report to
Rapport au:

Council
Conseil
11 July 2018 / 11 juillet 2018

Submitted on July 10, 2018
Soumis le 10 juillet 2018

Submitted by
Soumis par:
Melody Duffenais, Committee Coordinator / coordonnatrice du comité

Contact Person
Personne ressource:
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Ward: CUMBERLAND (19)

File Number: ACS2018-CCS-PLC-0011

SUBJECT: Deferral and Waiver of Development Charges - 5225/5371 Boundary Road

OBJET: Report des redevances d'aménagement et exonération des intérêts - 5225/5371, chemin Boundary

REPORT RECOMMENDATIONS

That Council:

1. suspend the notice required under Subsections 29. (3) and 34. (1) of Procedure By-law 2016-377 to consider this Motion at its meeting on 11 July, 2018;
2. approve:
 - a. the deferral of the municipal portion of the DCs until the project is completed, or for 18 months, whichever is the lesser; and

- b. that in lieu of Broccolini covering all costs associated with bringing services to the site, and in particular the extension of the Carlsbad Springs trickle feed line, which will be assumed as municipal infrastructure upon completion, the roadway modifications be exempt from paying the interest applied to the deferral of the payment of DCs; and
- c. that Broccolini enter into an agreement, to the satisfaction of the General Manager of Planning, Infrastructure and Economic Development and the City Solicitor, setting out the details for the deferral of the payment of DCs and the waiver of interest charges, subject to Broccolini constructing and paying for the extension of water services to the site and implementing the roadway modifications, with such agreement to be registered if permitted under the *Land Titles Act*.

RECOMMANDATIONS DU RAPPORT

Que le Conseil :

- 1. suspende l'obligation de publier un avis, en vertu des paragraphes 29(3) et 34(1) du *Règlement de procédure*, pour étudier cette motion à sa réunion du 11 juillet 2018;
- 2. approuve :
 - a. le report du paiement de la part municipale des redevances d'aménagement à la fin du projet, ou dans 18 mois, selon ce qui arrive en premier;
 - b. qu'en échange de la prise en charge des coûts de raccordement des services d'eau au site, en particulier des coûts d'extension du système de distribution à faible débit de Carlsbad Springs, qui tiendra lieu d'infrastructure municipale à la fin du projet, Broccolini soit exemptée des intérêts applicables au report du paiement des redevances d'aménagement relatives aux modifications de la chaussée;
 - c. que Broccolini signe une entente, à la satisfaction du directeur général de la Direction générale de la planification, de l'infrastructure

et du développement économique et de l'avocat général, donnant des précisions sur le report du paiement des redevances d'aménagement et l'exemption des intérêts en échange de la construction et du paiement du raccordement des services d'eau au site et de la modification de la chaussée, et enregistrée si la *Loi sur l'enregistrement des droits immobiliers* le permet.

BACKGROUND

At its meeting on 10 July 2018, the Planning Committee approved the following motion, which was added to the agenda pursuant to Subsection 89. (3) of Procedure By-law 2016-377:

WHEREAS Broccolini Construction has undertaken pre-consultation with staff and has submitted a Site Plan application to construct a one-million square foot warehouse facility at 5225/5371 Boundary Road; and

WHEREAS in 2015, in order to encourage economic development, the City approved Official Plan Amendment 153 to extend the Carlsbad trickle feed water system to the Boundary Road rural industrial area; and

WHEREAS the Boundary Road industrial lands were identified as an area of opportunity for rural economic development in the 2016 Ottawa Employment Lands Review Final Report; and

WHEREAS this Council's 2015-2018 Economic Development Strategy, *Partnerships for Innovation*, highlights rural economic development as a key priority; and

WHEREAS the construction of this facility would create over 1,500 construction jobs involving more than 30 major construction trades; and WHEREAS Broccolini has agreed to coordinate with other area works during roadway infrastructure construction in order to minimize disruption to local traffic; and

WHEREAS this facility will result in the creation of 600 permanent full-time jobs in the east end of the city where there is a strong desire for increased employment opportunities and economic activity; and

WHEREAS development expenditures in the order of \$8.4 to \$9.1 million dollars will be required to connect services to the warehouse facility, including the extension of gas at a cost of \$4.7 to \$5.0 million, Hydro at a cost of \$1.2 to \$1.5 million, the Carlsbad trickle feed water system at a cost \$1.5 million, and roadway modifications

to address current deficiencies and to accommodate development needs for the subject project and other potential development in the area at a cost of \$1.0 to \$1.2 million; and

WHEREAS in consideration of these high servicing costs, Broccolini has requested the deferral of their payment of the City's portion of Development Charges (DCs), estimated at \$8,034,164, until the project is complete (in about 12 months), to defer the upfront costs that will be incurred as a result of the servicing; and

WHEREAS Broccolini has further requested a waiver of the 10 per cent normal interest, estimated at \$803,416 (for a 12 month deferral), that the City applies to DC deferrals so that Broccolini's overall project proforma is not further impacted; and

WHEREAS the road infrastructure and water infrastructure will be provided at no cost to the City and will provide the opportunity for properties along the extension to connect to the water system; and

WHEREAS, while the extension of the Hydro, gas and water services and the roadway modifications will enable the completion of the warehouse, it will also benefit the development of other employment lands in the area, which are zoned for a variety of rural business opportunities;

THEREFORE BE IT RESOLVED that Planning Committee recommend that Council approve:

1. The deferral of the municipal portion of the DCs until the project is completed, or for 18 months, whichever is the lesser; and
2. That, in lieu of Broccolini covering all costs associated with bringing services to the site, and in particular the extension of the Carlsbad Springs trickle feed line, which will be assumed as municipal infrastructure upon completion, the roadway modifications be exempt from paying the interest applied to the deferral of the payment of DCs; and
3. That Broccolini enter into an agreement, to the satisfaction of the General Manager of Planning, Infrastructure and Economic Development and the City Solicitor, setting out the details for the deferral of the payment of DCs and the waiver of interest charges, subject to Broccolini constructing and paying for the extension of water services to the site and implementing the roadway

modifications, with such agreement to be registered if permitted under the *Land Titles Act*.

BE IT FURTHER RESOLVED that Planning Committee recommend Council suspend the notice required under Subsections 29. (3) and 34. (1) of Procedure By-law 2016-377 to consider this Motion at its meeting on 11 July, 2018, as the next Council meeting is at the end of August and delaying the consideration of this Motion would significantly delay the construction of this facility.

DISCUSSION

The Committee CARRIED the aforementioned motion, with two dissents, which is now before Council.

RURAL IMPLICATIONS

There are no known rural implications associated with the report recommendations.

CONSULTATION

No consultation was undertaken as this item was added at the Planning Committee meeting.

COMMENTS BY THE WARD COUNCILLOR(S)

Councillor Blais moved and supports the report recommendations.

LEGAL IMPLICATIONS

Legal staff will be present at the Council meeting and can provide comment if requested.

RISK MANAGEMENT IMPLICATIONS

There are no known risk implications associated with the report recommendations.

FINANCIAL IMPLICATIONS

The interest on the Development Charge deferral will be waived in exchange for the developer providing the road and water infrastructure to the City.

ACCESSIBILITY IMPACTS

There are no known accessibility impacts associated with the report recommendations.

TERM OF COUNCIL PRIORITIES

This project addresses the following Term of Council Priorities:

- EP1 – Promote Ottawa
- EP2 – Support growth of local economy

SUPPORTING DOCUMENTATION

Document 1 – Extract of Planning Committee Minutes, 10 July 2018

DISPOSITION

Planning, Infrastructure and Economic Development Department staff will implement Council's decision, as directed.

Document 1

EXTRACT OF DRAFT MINUTES 67
PLANNING COMMITTEE
10 JULY 2018

EXTRAIT DE L'ÉBAUCHE
DU PROCÈS-VERBAL 67
COMITÉ DE L'URBANISME
LE 10 JUILLET 2018

OTHER BUSINESS

ADDITIONAL ITEM

At the outset of the meeting, Councillor Blais introduced a motion to add an item to the agenda for discussion, as follows :

Motion N° PLC 67/1

Moved by Councillor Blais

That the Planning Committee approve the addition of the following Item to the agenda for consideration by the Committee at this meeting, pursuant to Section 89(3) of the Procedure By-Law, in order to give timely consideration to this matter and potentially avoid significant construction delays, as the next Planning Committee meeting is at the end of August:

Deferral and waiver of Development Charges in lieu of payment to extend water service to 5225/5371 Boundary Road.

CARRIED, on a division of 6 yeas and 2 nays, as follows:

YEAS (6): Councillors S. Blais, J. Cloutier, A. Hubley, S. Qadri, Vice-chair T. Tierney, Chair J. Harder

NAYS (2): Councillors J. Leiper, T. Nussbaum

The item was added to the agenda for discussion as the last regular item of business.

DEFERRAL AND WAIVER OF DEVELOPMENT CHARGES - 5225/5371 BOUNDARY ROAD

ACS2018-CCS-PLC-0011

CUMBERLAND (19)

Councillor Blais provided background on the motion he subsequently introduced for committee's consideration, with respect to deferring the City's portion of development charges related to a one-million-square-foot warehouse planned at 5225/5371 Boundary Road, which will be built by Broccolini Construction and occupied by Amazon.

The following staff of the Planning, Infrastructure and Economic Development department responded to questions: John Smit, Director, Economic Development and Long Range Planning; Steve Willis, General Manager.

Motion No PLC 67/7

Moved by Councillor S. Blais

WHEREAS Broccolini Construction has undertaken pre-consultation with staff and has submitted a Site Plan application to construct a one-million square foot warehouse facility at 5225/5371 Boundary Road; and

WHEREAS in 2015, in order to encourage economic development, the City approved Official Plan Amendment 153 to extend the Carlsbad trickle feed water system to the Boundary Road rural industrial area; and

WHEREAS the Boundary Road industrial lands were identified as an area of opportunity for rural economic development in the 2016 Ottawa Employment Lands Review Final Report; and

WHEREAS this Council's 2015-2018 Economic Development Strategy, *Partnerships for Innovation*, highlights rural economic development as a key priority; and

WHEREAS the construction of this facility would create over 1,500 construction jobs involving more than 30 major construction trades; and

WHEREAS Broccolini has agreed to coordinate with other area works during roadway infrastructure construction in order to minimize disruption to local traffic; and

WHEREAS this facility will result in the creation of 600 permanent full-time jobs in the east end of the city where there is a strong desire for increased employment opportunities and economic activity; and

WHEREAS development expenditures in the order of \$8.4 to \$9.1 million dollars will be required to connect services to the warehouse facility, including the extension of gas at a cost of \$4.7 to \$5.0 million, Hydro at a cost of \$1.2 to \$1.5 million, the Carlsbad trickle feed water system at a cost \$1.5 million, and roadway modifications to address current deficiencies and to accommodate development needs for the subject project and other potential development in the area at a cost of \$1.0 to \$1.2 million; and

WHEREAS in consideration of these high servicing costs, Broccolini has requested the deferral of their payment of the City's portion of Development Charges (DCs), estimated at \$8,034,164, until the project is complete (in about 12 months), to defer the upfront costs that will be incurred as a result of the servicing; and

WHEREAS Broccolini has further requested a waiver of the 10 per cent normal interest, estimated at \$803,416 (for a 12 month deferral), that the City applies to DC deferrals so that Broccolini's overall project proforma is not further impacted; and

WHEREAS the road infrastructure and water infrastructure will be provided at no cost to the City and will provide the opportunity for properties along the extension to connect to the water system; and

WHEREAS, while the extension of the Hydro, gas and water services and the roadway modifications will enable the completion of the warehouse, it will also benefit the development of other employment lands in the area, which are zoned for a variety of rural business opportunities;

THEREFORE BE IT RESOLVED that Planning Committee recommend that Council approve:

1. The deferral of the municipal portion of the DCs until the project is completed, or for 18 months, whichever is the lesser; and
2. That, in lieu of Broccolini covering all costs associated with bringing services to the site, and in particular the extension of the Carlsbad Springs trickle feed line, which will be assumed as municipal infrastructure upon completion, the roadway modifications be exempt from paying the interest applied to the deferral of the payment of DCs; and
3. That Broccolini enter into an agreement, to the satisfaction of the General Manager of Planning, Infrastructure and Economic Development and the City Solicitor, setting out the details for the deferral of the payment of DCs and the waiver of interest charges, subject to Broccolini constructing and paying for the extension of water services to the site and implementing the roadway modifications, with such agreement to be registered if permitted under the *Land Titles Act*.

BE IT FURTHER RESOLVED that Planning Committee recommend Council suspend the notice required under Subsections 29. (3) and 34. (1) of Procedure By-law 2016-377 to consider this Motion at its meeting on 11 July, 2018, as the next Council meeting is at the end of August and delaying the consideration of this Motion would significantly delay the construction of this facility.

CARRIED with Councillors J. Leiper and T. Nussbaum dissenting