

The Corporation of the City of Kawartha Lakes
Council Report

Report Number ENG2018-013

Date: July 17, 2018
Time: 2:00 p.m.
Place: Council Chambers

Ward Community Identifier: All

Title: Site Plan Agreement Securities and Fees

Description: Request for Amendment

Author and Title: Juan Rojas, Director of Engineering and Corporate Assets

Recommendations:

That Report ENG2018-013, **Site Plan Agreement Securities**, be received;

That site plan securities for engineering related work on the private property not be required;

That the Development Application Approval Process User Fee be increased to 3.7%; and

That the Guide to the Site Plan Approval Process and the City's Fees and Charges By-law be amended to reflect these changes.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

Through the site plan review process by Engineering staff, the cost estimates are reviewed for accuracy for unit cost, quantities, and totals and to ensure the security held (at the 50% level for the engineering infrastructure) is sufficient. Securities are typically taken to ensure that the works approved through the site plan process are constructed in accordance with the approved drawings. They are also held to pay consultants or contractors in event that they have not been paid by the project developer.

Further to a legislative change, specifically the Construction Lien Act, now the Construction Act, this report provides for the implications for securities held for the site plan process.

In addition, the Development Application Approval Process (DAAP) User Fees for Engineering Activities (as per By-Law 2007-132 and Consolidated By-Law 2016-209), DAAP Fee, is currently at 0.65% of the constructed value of the project. This fee is required to be increased to 3.7% to reflect the level of effort and to partially recover for staff time.

Rationale:

Further to changes to the Construction Lien Act, now the Construction Act, there are two major amendments related to payment:

1. The Lien Period after Substantial Performance has increased from a 45 day period to a 60 day period
2. A “prompt payment” procedure has been introduced between the owner and the vendor.

As a result, this minimizes the risk of non-payment for the contractor, suppliers and trades and provides for processes to ensure payment. They now have the responsibility and the mechanisms (e.g. adjudication process) to facilitate payment. Therefore, for site plans, the City is not required to hold additional protections for the payment of all trades for works on private property.

The cost of the site plan review through the DAAP fee is proposed to partially cover staff time. The review of the design, the various numbers of submissions, and the inspections of varying site plans takes time, and the current DAAP fee collections are in the range of \$500 to \$1000 total. The proposed increase in fee represents a fair and equitable fee for review in keeping with the reviews of other developments at 3.7% of the site works. The fee is a percentage of the total engineering works proposed, and therefore is a sliding scale to compensate for the size and complexity of a project.

As per the City's "A Guide for Site Plan Approval Process", any amendments to the Guide require review and approval by Council. The following recommendations are proposed as amendments to the Guide:

- Require 100% security for any and all works proposed in the City's Right-of-Way (this is the current practice and should be clearly outlined in the Guide)
- Require 0% security for any engineering related services on the private property (currently require 50% for engineering related services)
- Require 100% security for planning related services (fencing, landscaping, etc.) (this is the current practice and should be clearly outlined in the Guide)
- The latest cost estimate template for site plans is to be included as an appendix to the Guide (attached as Appendix B)

Other Alternatives Considered:

Council could choose to continue with the status quo and maintain the site plan agreement security for on-site works related to engineering infrastructure at 50% and the DAAP fee at 0.65%.

Financial/Operation Impacts:

The only financial implication of the proposed security reduction is to the Owner or Developer of the site plan. The security requirements will be reduced. The City will hold less security to ensure the work is completed. All current engineering activities will continue, including design review, cost estimate review (to ensure the costs are realistic and current), and inspection.

Based on the level of review and the unique review for each site plan, the proposed Development Application Approval Process User Fee of 3.7% of the constructed value of the site works is recommended to provide for revenue to partially recover for staff time and review. This value is equal to the DAAP fee for subdivisions and condominiums, so the rate is fair and equitable for the review and inspections required to support growth and development.

Relationship of Recommendations to the 2016-2019 Strategic Plan:

All development is intended to support all three goals of the Council Adopted Strategic Plan – a Vibrant and Growing Economy, an Exceptional Quality of Life, and a Healthy Environment. Site plans represent projects on private property by private owners creating private infrastructure connecting to existing municipal infrastructure (i.e. roads, sidewalks, sewers, etc.). The engineering review of site

plans supports the Strategic Objectives and Actions contained in the plan through review for a stronger and more diversified economy, improved walkability and accessibility, and protection and enhancement of water quality. The review ensures compliance for sustainable infrastructure, increased access, and development standards for connections to any municipal infrastructure and the community in which the project is proposed.

Review of Accessibility Implications of Any Development or Policy:

Accessibility is reviewed with every site plan application.

Servicing Implications:

As a result of the redistribution of workload through the departmental reorganizations of 2016, Development Engineering Staff review all municipal service connections and facilitate the review, requirements, and implementation of servicing connections for all applications, including site plans. This review includes the servicing capacity review.

Consultations:

Development Services – Director/Chief Building Official/Manager of Planning

Attachments:

Appendix A – Construction Act Presentation – 2018 Changes



Appendix A -
Construction Act Pres

Appendix B – Cost Estimate Template



Cost Estimate
Template for Site Plan

Department Head E-Mail: jrojas@kawarthalakes.ca

Department Head: Juan Rojas