



Planning Advisory Committee Report

Report Number: ENG2023-027
Meeting Date: November 8, 2023
Title: 2024 Subdivision Agreement Template Update
Description: Schedule "D" – Engineering Cost Estimate
Type of Report: Regular Meeting
Author and Title: Christina Sisson, Manager, Development Engineering

Recommendation(s):

That Report ENG2023-027, **2024 Subdivision Agreement Template Updates**, be received;

That the City's subdivision agreement cost estimate schedule template be updated and amended, as outlined in Appendix 'A', attached to Report ENG2023-027;

That the Mayor and City Clerk be authorized to execute any documents and agreements required by this approval.

Department Head: _____

Legal/Other: _____

Chief Administrative Officer: _____

Background:

Further to the updates to the subdivision agreement template implemented in 2023 per Report ENG2022-001, the engineering cost estimate, Schedule "D" requires an update with respect to the contingency percentage. Through the project management of the implementation of the registered subdivisions and the completion of capital projects, the City has become aware of the fluctuations in engineering costs and hence the security requirements. As an equalizer or buffer, the contingency percentage is recommended to be increased from 5% to 10%. This contingency will be applied to the original cost estimate and initial security amount and will be held throughout the course of the development.

Rationale:

The new contingency amount will be held until the assumption by-law is passed to provide protection for the City with the securities held. This will ensure the security amount is consistent with the outstanding items (in case of default).

Other Alternatives Considered:

Council could decide not to proceed with increasing the contingency value for subdivision cost estimates; however, this would not provide the protection for the municipality given the uncertainty of engineering costs.

Alignment to Strategic Priorities:

The City's 2020-2023 Strategic Plan outlines the strategic goals of a vibrant and growing economy, an exceptional quality of life, and a healthy environment. While the development process supports all of these priorities, the important goal for this initiative with the contingency amount is good government.

- Good Government – provide clarity and transparency in registered agreements, consistent across the City, timely processing, and sufficient securities

Financial / Operation Impacts:

Securities are required to ensure the development is implemented in a timely manner and that money is secured in the event the City is required to complete any component of the works on behalf of the developer. In addition, ensuring sufficient securities with an increased contingency is important to protect the municipality for inflation, market fluctuations, supply chain challenges, and so forth.

Servicing Comments:

The implementation of subdivision development in a timely manner protects for the allocated and dedicated servicing capacity.

Consultations:

Finance
Engineering and Corporate Assets – Infrastructure Design and Construction Division
Industry standards

Attachments:

Appendix 'A' – Subdivision Schedule "D" – Engineering Cost Estimate



Subdivision-Schedule
'D' Cost-Estimate-Terr

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Department Head: **Juan Rojas**