

## Staff Report

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**Report To:** City Council  
**Report From:** Dana Goetz, C.E.T., Engineering Technologist III  
**Meeting Date:** June 12, 2023  
**Report Code:** OP-23-028  
**Subject:** Capital Cost Recovery Agreement – SkyDev - 3195 East Bayshore Road

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### Recommendations:

THAT in consideration of Staff Report OP-23-028 respecting a Capital Cost Recovery Agreement - SkyDev - 3195 East Bayshore Road, City Council:

1. Approves the total Capital Cost Recovery amount of \$1,294,910.00 from SkyDev Bayshore Owen Sound LP; and
2. Directs staff to bring forward a by-law to authorize the Mayor and Clerk to execute the Capital Cost Recovery Agreement with SkyDev Bayshore Owen Sound LP.

### Highlights:

- A capital cost recovery is required to recoup money that the City has invested to facilitate the development of the property located at 3195 East Bayshore Road.
- A Capital Cost Recovery agreement between SkyDev and the City is a requirement for the removal of the Holding provision of Zoning By-law Amendment ZBA No. 42.
- The capital cost recovery is for the expansion of the East Bayshore Sewage Pumping Station and a pedestrian link on East Bayshore Road.

## **Strategic Plan Alignment:**

This report supports the delivery of Core Service.

## **Climate and Environmental Implications:**

This supports the objectives of the City's Corporate Climate Change Adaptation Plan by strengthening the resiliency of City infrastructure or services.

## **Previous Report/Authority:**

[Staff Report CS-23-011:](#) ZBA No. 42 – Removal of Holding for 3195 East Bayshore Road (SkyDev Bayshore Owen Sound LP)

## **Background:**

At the January 16, 2023, Council meeting, the following resolution was adopted:

R-230116-011

"THAT in consideration of Staff Report CS-23-011 respecting Zoning By-law Amendment No. 42, proposing to lift the Holding Provision from the MR zone to facilitate the Site Plan Approval process for the development of 3195 East Bayshore Road, City Council:

1. Finds that the application is consistent with the Provincial Policy Statement and the goals, objectives and intent of the City's Official Plan; and
2. In consideration of the staff recommendations and the written submission made, directs staff to:
  - a. Bring forward a by-law following execution of a servicing agreement and payment of capital contributions thereunder to remove the "H" provision to adopt Amendment No. 42 to the City's Zoning By-law No. 2010-078; and
  - b. Give notice in accordance with Section 34 of the Planning Act."

Carried

## **Analysis:**

Two agreements will be used to address the servicing for the development of the lands. The first agreement will be executed before the passing of the by-law to remove the Holding provision and will provide for the capital recovery contribution from the developer for:

- Wastewater infrastructure upgrades - \$1,232,326.00
- Pedestrian link (sidewalk) upgrade from 28th Street East to the Kenny Drain as part of the rehabilitation of East Bayshore Road - \$435,684.00

Last year, the City replaced two obsolete sewage pumping stations on East Bayshore Road with one sewage pumping station (SPS). A component of the SPS upgrade was a capacity increase to accommodate the planned SkyDev development at 3195 East Bayshore Road (the former RCA plant) and other future development in the area.

Based on the required capacity increase, the initial calculated cost recovery from the developer was estimated to be \$1,232,326.00. However, based on the final construction payment certificate, the actual amount was \$1,219,910.00. SkyDev has agreed to pay this amount to the City.

An additional expense of approximately \$435,684.00 is owed to Grey County as the City's portion of costs for a retaining wall and the concrete sidewalk extension along East Bayshore Road from 28<sup>th</sup> Street East to the Kenny Drain.

SkyDev, upon reviewing the actual costs of the sidewalk and retaining wall, has proposed that their portion of the expenses for the sidewalk extension should be reduced to \$75,000.00.

Their rationale is that the new sidewalk and related retaining wall construction will benefit other properties in addition to theirs, such as those directly adjacent and those to the north of the subject lands. Their position is that these potential future development properties should be required to contribute accordingly.

Additionally, as noted through various discussions on the scope of the additional offsite works on 32<sup>nd</sup> Street East and 9<sup>th</sup> Avenue East, SkyDev's proposal has considered the entirety of the offsite infrastructure upgrades as generally agreed upon to support the development of the lands.

Staff in the Engineering Services and Planning Divisions are in agreement with the proposal and recommend that Council approve the proposed contribution amount.

### **Financial Implications:**

The developer's contribution towards the sidewalk will offset the overage associated with roadside works. At the time of tender award this overage was estimated to be \$55,375. Any additional surplus will remain in the capital reserve.

### **Communication Strategy:**

This report is available on the City's website through the agenda.

### **Consultation:**

The Corporate Services, Community Services, and Public Works & Engineering Directors were consulted.

### **Attachments:**

None.

### **Recommended by:**

Dana Goetz, C.E.T., Engineering Technologist III  
Chris Webb, Manager of Engineering Services  
Lara Widdifield, Director of Public Works & Engineering

### **Submission approved by:**

Tim Simmonds, City Manager

For more information on this report, please contact Chris Webb, Manager of Engineering Services, at [cwebb@owensound.ca](mailto:cwebb@owensound.ca) or 519-376-4440 ext. 3300.