REPORTS

Item No. 20 2024 Development Agreement Parameters Update

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Ad Hoc Committee on Development Standards and recommended to Council:

1. That the Development Agreement Parameters be amended as follows:

    A. Delete Section 7.3 in its entirety and replace with the following:

        7.3 Road and sidewalk warranty periods

        The Developer shall be responsible for one year of maintenance, including repair of damages, on all pavement structure improvements including Streets, Back Lanes, Sidewalks, Walkways, and related works, but excluding landscaping, in accordance with the current version of the Pavement Acceptance Manual.

        The Developer shall provide a two-year warranty of all pavement structure improvements including Streets, Back Lanes, Sidewalks, Walkways, and related works for construction-related defects resulting from substandard materials and workmanship.

        The maintenance and warranty periods shall commence on the date of issuance of the relevant On-Warranty Inspection Letter. Damages that occur more than one year after the On-Warranty Inspection Letter date are not required to be repaired.

    B. Amend Sections 2.7, 2.9, 8.5, 10.11, 10.14, 11.2, 11.6 and 11.7, as outlined in Appendix A.

2. That the Proper Officers of the City be authorized to do all things necessary to amend the Development Agreement Parameters.

DECISION MAKING HISTORY:

Moved by Councillor Lukes,

That the recommendation of the Ad Hoc Committee on Development Standards be concurred in and forwarded to Council.

Carried

COMMITTEE RECOMMENDATION:

On January 7, 2025, the Ad Hoc Committee on Development Standards concurred in the recommendation of the Winnipeg Public Service and forwarded the matter to the Executive Policy Committee.

David Grant submitted a communication with respect to the matter.

ADMINISTRATIVE REPORT

Title: 2024 Development Agreement Parameters Update

Critical Path: Ad Hoc Committee on Development Standards – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Pittet	H. Borys	T. Graham	S. Armbruster, Interim CAO

EXECUTIVE SUMMARY

The Development Agreement Parameters (DAPs) are the general policy of the City in respect of public infrastructure required for land development and serve as a guideline for the Public Service and Developers in formulating development agreement conditions for consideration by Council or its delegated authority.

The purpose of the DAPs is also to ensure that all parties pay their equitable share of the costs of development, that development agreement obligations are consistent for all developments, and that development occurs in accordance with the current City of Winnipeg specifications and standards.

The Public Service and the Urban Development Institute of Manitoba (UDI) interact regularly in a number of different forums and continue to build on the collaborative relationship established during the 2022/2023 DAPs review.

The Public Service and the UDI are recommending a number of consensus amendments to the DAPs as consultation on a number of other topics continues.

RECOMMENDATIONS

1. That the Development Agreement Parameters be amended as follows:

    A. Delete Section 7.3 in its entirety and replace with the following:

    7.3 Road and sidewalk warranty periods
    The Developer shall be responsible for one year of maintenance, including repair of damages, on all pavement structure improvements including Streets, Back Lanes, Sidewalks, Walkways, and related works, but excluding landscaping, in accordance with the current version of the Pavement Acceptance Manual.

The Developer shall provide a two-year warranty of all pavement structure improvements including Streets, Back Lanes, Sidewalks, Walkways, and related works for construction-related defects resulting from substandard materials and workmanship.

The maintenance and warranty periods shall commence on the date of issuance of the relevant On-Warranty Inspection Letter. Damages that occur more than one year after the On-Warranty Inspection Letter date are not required to be repaired.

B. Amend Sections 2.7, 2.9, 8.5, 10.11, 10.14, 11.2, 11.6 and 11.7, as outlined in Appendix A.

2. That the Proper Officers of the City be authorized to do all things necessary to amend the Development Agreement Parameters.

REASON FOR THE REPORT

On May 30, 2023, Council directed the Public Service to report back annually to the Ad Hoc Committee on Development Standards with recommended changes (if any) to the Development Agreement Parameters, in consultation with the Urban Development Institute of Manitoba.

Council approval is required to adopt or amend a Council policy.

IMPLICATIONS OF THE RECOMMENDATIONS

The Development Agreement Parameters will be amended should Council concur in the Public Service recommendation.

HISTORY/DISCUSSION

HISTORY

In January, 2022, the Public Service and the Urban Development Institute of Manitoba (UDI), with the assistance of a facilitator, began meeting with the goal of modernizing the 20-year-old Development Agreement Parameters (DAPs). The collaborative process lasted 14 months, included 60 working sessions, and resulted in a revised DAPs policy document submitted with full consensus of both Industry and the Public Service.

On May 30, 2023, Council concurred in the recommendation of the Public Service and adopted the DAPs with minor amendments. Council also directed the Public Service to report back annually to the Ad Hoc Committee on Development Standards with recommended changes (if any) to the DAPs, in consultation with the UDI, to ensure the DAPs are kept current. The annual report is to include updates regarding consultations with the development industry and recommendations to modify the parameters (if required).

CONTINUED COLLABORATION

The Public Service and Industry meet regularly and continue to embrace the philosophy of open and transparent communication with the ultimate goal of improving policy/processes. It is important to note that the DAPs are not intended to be a 20-year static document, and, through continued engagement, additional amendments will regularly be brought forward for consideration.

The City of Winnipeg/Industry Land Development Advisory Group (LDAG) meets quarterly and was established to facilitate two-way dialogue between the City of Winnipeg and representatives from the development community regarding matters related to land development. Chaired by the Manager of Real Estate and Land Development, the group consists of representatives from UDI, the Deputy Chief Administrative Officer, and the Directors of Planning, Property and Development, Water and Waste, Public Works and Transit.

The focus of the LDAG is on strategic, high-level subjects. Emerging and operational issues are actioned to technical subcommittees that are formed as needed.

In 2024, the UDI Technical Committee was established. The Public Service actively participates on this Committee which acts as a resource for UDI's Board of Directors, providing advice and direction by:

- Identifying and reviewing technical issues or aspects of land development and construction;
- Reviewing and providing feedback on all regulatory or legislative changes impacting land development and construction at the municipal, provincial and federal levels;
- Acting as a resource to municipal and provincial officials and administration to help streamline land development and construction processes; and
- Acting as a resource to industry service providers to help streamline land development and construction processes.

CONSENSUS AMENDMENTS

After many meetings over a number of months, the Public Service and UDI recommend that the Development Agreement Parameters be amended by deleting the existing Section 7.3 and replacing with the following:

Current Wording:

7.3 Road and sidewalk warranty periods

The Developer shall be responsible for maintaining the following improvements to the satisfaction of the City for the periods listed below, from the date of issuance of relevant Total Performance Certificates (where required):

A. Street and Back Lane Pavements: One year
B. Sidewalks and Walkways: One year

Proposed New Wording:

7.3 Road and sidewalk warranty periods

The Developer shall be responsible for one year of maintenance, including repair of damages, on all pavement structure improvements including Streets, Back Lanes, Sidewalks, Walkways, and related works, but excluding landscaping, in accordance with the current version of the Pavement Acceptance Manual.

The Developer shall provide a two-year warranty of all pavement structure improvements including Streets, Back Lanes, Sidewalks, Walkways, and related works for construction related defects resulting from substandard materials and workmanship.

The maintenance and warranty periods shall commence on the date of issuance of the relevant On-Warranty Inspection Letter. Damages that occur more than one year after the On-Warranty Inspection Letter date are not required to be repaired.

The Public Service and UDI also recommend that a number of housekeeping amendments (see Appendix A) be approved.

SUMMARY OF ONGOING DISCUSSION/CONSULTATION

The Public Service/UDI continue to meet regularly to discuss matters as they relate to the DAPs. At the time of report submission, the following items were being considered:

Density-based Land Dedication

On April 19, 2021, the Standing Policy Committee on Property and Development, Heritage and Downtown Development referred the recommendation of the Assiniboia Community Committee to the Winnipeg Public Service to consider as part of the Development Agreement Parameters review, namely:

1. Amendments to the Subdivision Standards By-law No. 7500/99 and Development Agreement Parameters to provide specific regulations for net area of public park space per development.

The Public Service continues its research on both greenfield and infill density-based dedication and it is anticipated that engagement with UDI will commence in 2025.

Park Approval Process

Over the past few months, UDI's Technical Committee has been working with the Public Service to provide feedback on and recommend improvements to Winnipeg's Park Design Review Process. The Public Service provided an overview of the design, review and approval processes and clarified the roles/responsibilities within the Public Service.

Further meetings are scheduled with the aim to help improve and streamline the Park Design Review process for both the Public Service and for Industry.

Securities Review

The Land Development Branch continues to work on improving the process related to Securities and has recently established a Standard Operating Procedure for Acceptable Security Format under Development and Servicing Agreements which includes the recently approved Development Bond as an acceptable form of security for developer obligations (with the exception of securing "on demand" payment obligations).

Boulevard Sod Warranty

UDI has requested that Section 7.4: be amended as follows:

Current Wording

7.4 Boulevard Sodding Maintenance and Warranty

The Developer shall be responsible for maintaining the sodding of boulevards, for one year, in accordance with the City's Sodding Maintenance Guidelines

Proposed:

7.4 Boulevard Sodding Maintenance and Warranty

The Developer shall be responsible for a 30-day Warranty Period on all boulevard sod, following the most current version of City Specification CW3510, which shall commence upon Substantial Performance.

The Developer shall be responsible for a one year of maintenance in accordance with the City's Annual Grass Mowing Program, which shall commence upon Substantial Performance.

At the time of the writing of this report, one meeting was held to discuss this matter and the Public Works Department has requested that UDI provide the following information to better define the issues being experienced by Developers, namely:

- Specific examples or locations where they have encountered challenges in handing over sod after the 1-year warranty period, along with the issues encountered in those cases.
- Information on the estimated or actual costs incurred by developers due to challenges in transferring sod maintenance to the City; and
- Any examples where the 1-year warranty period has proven effective or beneficial for developers.

<u>Provision to Install rectangular athletic fields</u>

The Public Works Department has requested that the following (in bold/italics) be added to Section 10:11:

10.11 Developer to provide park landscaping and improvements

A. The Development Agreement may require the Developer to provide the following standard landscaping and improvements within the Public Reserve(s), in accordance with Park Development Guidelines, Park Standards and plans and specifications all as approved by the City:

i. Grade, level and vegetate;
ii. Install the appropriate water service;
iii. Construct primary pathways;
iv. Provide tree plantings in accordance with the Winnipeg Urban Forest Strategy;
v. Install or pay a share of, core amenities (e.g. playground, picnic area, and multiple use space) in accordance with the Winnipeg Parks Strategy catchment target level of service and the Park Development Guidelines;
vi. Install rectangular athletic field(s), where appropriate, in accordance with community needs, the Winnipeg Parks Strategy catchment target level of service and the Park Development Guidelines;

At the time of the writing of this report, no meetings have been held to discuss this request.

FINANCIAL IMPACT

Financial Impact Statement

Date: October 30, 2024

Project Name:

2024 Development Agreement Parameters Update

COMMENTS:

There are no direct financial implications associated with this report.

Mike McGinn Oct. 30, 2024
Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- The Urban Development Institute of Manitoba
- Public Works Department
- Water and Waste Department
- Winnipeg Transit

OURWINNIPEG POLICY ALIGNMENT

Within Complete Communities 2.0:

VISION
The City will integrate land use and infrastructure planning with capital budgeting to achieve long term financial sustainability.

Goal 3
3.0 Ensure growth is fiscally sustainable.

Development Agreement Parameters

3.2 Establish guidelines in the form of Development Agreement Parameters to outline the fair and equitable sharing of costs for servicing, subdivision, and development of land.

3.2.1 Address infrastructure and servicing elements that fall outside the limits of a proposed subdivision or development proposal that are triggered by the proposed development.

3.2.2 Outline the conditions to be included in development agreements.

3.2.3(A) Update and amend the Development Agreement Parameters in collaboration with the development industry stakeholders.

3.2.4 Base updates to the Development Agreement Parameters on the principles identified in Goal 1.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Strategic Opportunity #4
Facilitate Compact, Complete Development and Increase Density
4.2 Ensure New Areas of Growth are Designed According to the Principles of Complete Communities

Strategic Opportunity
#7 Community Climate Resiliency
7.3 Preserve and Manage Parks and Natural Areas to Support Climate Change Mitigation

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

The Development Agreement Parameters do not have a direct impact on the City of Winnipeg's Poverty Reduction Strategy.

SUBMITTED BY

Department: Planning, Property and Development
Division: Real Estate and Land Development
Prepared by: Marc Pittet, Manager of Real Estate and Land Development
Date: November 1, 2024

Attachments: Appendix A – Housekeeping Amendments

Appendix A – Housekeeping Amendments

The following housekeeping amendments were agreed to by consensus between the Public Service and UDI. The amendments do not represent material changes to the Development Agreement Parameters but are recommended to provide clarity and consistency.

1. Amend Section 2.7 by adding the words in bold/italics:

2.7 Regional Street

"Regional Street" means those streets listed in Schedule "E" of the most recent City of Winnipeg Streets By-law No. 1481/77 ***and any newly created streets that are identified as such in the accepted transportation impact study for the area/application.***

2. Amend Section 2.9 by deleting the words in bold/strikethrough in the first paragraph:

2.9 Substantial Performance

"Substantial Performance" ~~**means Substantial Performance**~~ ***is*** as defined in The Builder's Liens Act. It includes certification by a consulting engineer and/or landscape architect acting in accordance with a Development Agreement and thereafter approved by the City, in accordance with the following:

3. Amend Section 8.5 A. by adding the words in bold/italics:

8.5 Developer to dedicate land for parks purposes

A. The Developer shall dedicate a minimum of 10% of the ***Net Planned Area*** for public park purposes; or shall dedicate a minimum of 8% of the Net ***Planned*** Area for public park purposes with the remaining required dedication deemed to have been satisfied by the provision of landscaping and improvements to the public park, as described in Section 10.11 – Developer to Provide Park Landscaping and Improvements" and- as approved by the City. Dedication shall not be granted for lands deemed non-eligible in the Winnipeg Parks Strategy.

4. Amend Section 10.11 by adding the word in bold/italics:

10.11 Developer to provide park landscaping and improvements

A. The Development Agreement may require the Developer to provide the following standard landscaping and improvements within the Public Reserve(s), in accordance with Park Development Guidelines, Park ***Design*** Standards and plans and specifications all as approved by the City:

5. Amend Section 10.14 by deleting the words in bold/strikethrough:

10.14 Developer to install works adjacent to rail lines

Where a Planned Area is adjacent to a rail line, the Development Agreement may include a requirement for fencing or ~~**other**~~ means of meeting ~~**anti-whistling**~~ requirements established by any relevant external regulation.

6. Amend Section 11.2 by adding the words in bold/italics:

11.2 Developer to pay for or construct one lane of arterial roads

Excepting where area charges are in effect, where a development borders on an arterial road ***(Regional Street, excluding Expressways as determined by the Director of Public Works)***, the Developer shall pay the cost of constructing one lane of pavement together with a share of the land drainage, sidewalks, landscaping, street lighting, and intersection improvements and modifications as per the *City Standard Construction Specifications*.

7. Amend Section 11.6 by deleting the words in bold/strikethrough and adding the words in bold/italics:

11.6 Developer to provide cash-in-lieu of parkland dedication

~~**If land is not dedicated for public park purposes, the Developer shall provide a cash-in-lieu payment representing 10% of the Planned Area value, as determined by the City and prior to the release of subdivision mylars by the City. A cash-in-lieu payment is not required where land was dedicated to the City for public parks purposes, or a previous cash-in-lieu payment was made, through an underlying development application within the past 30 years. The cash-in-lieu exemption period may be extended by an additional 10 years (40 years total) where the Developer (or its subsidiary/related company) for the Planned Area remains unchanged.**~~

If land is not dedicated for public park use, the Developer shall make a cash-in-lieu payment equivalent to 10% of the Planned Area's value, as determined by the City, before the City releases the subdivision mylars. No cash-in-lieu payment is required for any portion of the Planned Area where land for public park purposes or cash-in-lieu has previously been provided to the City under a development application in the last 30 years. This exemption period may be extended by an additional 10 years (up to 40 years in total) if the Developer, or a related entity, remains unchanged for the Planned Area.

8. Amend Section 11.7 by deleting the words in bold/strikethrough and adding the words in bold/italics:

11.7 Developer to provide cash-in-lieu of partial parkland dedication

If the full amount of land is not dedicated for public park purposes or if park landscaping and improvements are not required, the Developer shall provide a cash payment as and when determined by the Director of ~~**PP&D**~~ ***Planning, Property & Development***, in accordance with the following:

A. The value of the potential amount of public park dedication (i.e. 8% of the ~~**net area of the Development Application**~~ ***Net Planned Area***) less the amount of public park dedicated; and