A. Recommendations

THAT Council receive Staff Report PDS.20.48, entitled “Default Subdivisions Peaks Meadows & Ridge Estates; Identified Options to Complete”;

AND THAT Council authorize staff to work with the Engineer of Record for the Peaks Meadows Subdivision to undertake value engineering exercises to identify specific amendments to the original Approved For Construction drawings to facilitate completion of the Subdivision under Scenario # 1, with the available funds, and to report back to Council with that information and associated recommendations for decision;

AND THAT Council authorize staff to work with the Engineer of Record for the Ridge Estates Subdivision to undertake value engineering exercises to identify specific amendments to the original Approved For Construction drawings to facilitate completion of the Subdivision under Scenario # 1, with the available funds, and to report back to Council with that information and associated recommendations for decision;

AND THAT Council acknowledge that staff will be implementing half load restrictions on the Roads within Peaks Meadows to minimize additional road deterioration.

AND THAT Council acknowledge that staff will be implementing half load restrictions on the Roads within Ridge Estates to minimize additional road deterioration.

B. Overview

This report provides information on the costs associated with completion of the Peaks Meadows and Ridge Estates subdivisions, adequacy of the available securities and options for Councils consideration to complete the subdivision(s).
C. Executive Summary

The Engineers of Record for the original subdivisions were retained, utilizing the securities, to prepare options & probable costs to complete the Subdivisions to normal Municipal standards, such that they might be assumed. The Engineering analysis verified that the funds available for Peaks Meadows should, with some pragmatism, be adequate to complete the subdivision as per the Approved For Construction drawings (AFC). Adequate funds were not found to currently be available to complete Ridge Estates as per AFC.

Immediate completion of the Subdivisions would require the least funds, however, deferral of completion of the roads until the Subdivisions are closer to buildout, is recommended to minimize potential construction related damage to the road structure, and probable negative impacts on life cycle costs.

D. Background

Staff report PDS.19.04 (Attachment 1) noted that the Peaks Meadows subdivision located east of Camperdown Road, and the Ridge Estates subdivision, located to the west of Camperdown Road, were both impacted by the 2008 economic slowdown, and were both in default. Through the provisions of the original subdivision’s agreements, the Town is utilizing the securities to complete the Developer’s obligations to the Town. It should be noted that through claiming the securities, the Town has not become the Developer, nor has the Town assumed the subdivision(s). The available securities for Peaks Meadows were noted in PDS.19.04 to potentially be adequate, for completion of the Subdivision, but it was noted adequate securities did not appear to be available for Ridge Estates. The consulting Engineer of Record was subsequently retained to assess the costs that would be associated with addressing deficiencies.

Both Subdivision agreements contain a condition that the top layer of asphalt (“Top Course”) would not be installed until 60% of the structures permitted by Zoning on the Lots & Blocks within the Subdivision had been constructed; currently (based upon Town GIS data) Peaks Meadows has approximately 38 % of Lots built, (and 0 of the maximum 65 units permitted on Block 46), while Ridge Estates has approximately 30% of Lots built (and 0 of the maximum 42 units permitted on Block 38). Historically, installation of Top Course has typically been delayed until housing construction is substantially complete, to enhance the life expectancy of the completed roadway, as fully loaded construction vehicles can damage road pavements. Attachment #3 illustrates the pavement layers discussed above. However, where subdivisions take considerable time to build out, the subdivisions do not get “finished” and assumed for long periods of time. This can create frustration amongst residents living within the subdivision and impacts the adequacy of any securities posted at the beginning of the development and available to the Town to address deficiencies in the long term.
E. Analysis

Peaks Meadows Subdivision (Barton Boulevard & Dorothy Drive)
Geotechnical analysis determined that minimal repairs will be necessary to Barton Boulevard and Dorothy Drive prior to placement of Top Course asphalt. These minimal repairs include asphalt padding to correct local anomalies in the base course pavement and repairs to damaged concrete curb. Additional works such as preparation for and completion of Top Course paving and boulevard works to bring the full right-of-way to current Town Standard are included in the estimate for each scenario.

Scenario 1: Do Nothing in 2020; Defer All Works until Completion of Block 46 Servicing.

Scenario 2: Complete Barton Blvd. repairs & finish to Top Course in 2020. Defer Dorothy Drive works until Completion of Block 46 Servicing.

Scenario 3: Complete Barton Blvd. & Dorothy Drive repairs & finish Both to Top Course in 2020. Block 46 development will be required to install services and reinstate Dorothy Drive.

Table 1, Peaks Meadows Cost Estimates

<table>
<thead>
<tr>
<th>Peaks Meadows Subdivision</th>
<th>Scenario</th>
<th>Cost Estimate</th>
<th>Available Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Scenario # 1</td>
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<td>Scenario #3</td>
<td>$443,681.79</td>
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Ridge Estates Subdivision (George McRae Road & Maryward Crescent)
Geotechnical analysis determined more extensive repairs are necessary within the Ridge Estates subdivision. Road settlement has occurred in specific areas identified on Attachment 2, and the recommended repairs include removal of base course asphalt, addition to and re-grading of the Granular A base, and replacement of base course asphalt. Attachment 3, Typical Road Cross Section, illustrates the relative locations of Granular A, Base Course, and Top Course Asphalt. It is also proposed to monitor the performance of the repairs during construction of Block 38. A lump sum for monitoring works has been carried in all scenarios for Ridge Estates.

Scenario 1: Repair Settlement Areas on Both George McRae Rd. & Maryward Cres.; Patch to Base Course in 2020.
Monitor George McRae Rd. during construction of Block 38.
Defer Top Course & Curb repair of both Roads until completion of Block 38.
Scenario 2: Repair Settlement Areas on George McRae to Base Course & monitor during construction of Block 38. Complete repairs on Maryward & Finish to Top Course in 2020. Defer Top Course & Curb repair of George McRae Rd. until completion of Block 38.

Scenario 3: Complete repairs to George McRae Rd. & Maryward Cres. Finish Both to Top Course in 2020.

Table 2, Ridge Estates Cost Estimates

<table>
<thead>
<tr>
<th>Ridge Estates Subdivision</th>
<th>Scenario</th>
<th>Cost Estimate</th>
<th>Available Funds</th>
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</thead>
<tbody>
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<td></td>
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<td>$576,653.13</td>
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The locations of Block 46 & 38 have been added to Attachment #1 PDS.19.04 – location figures.

The cost estimate summaries provided above, break down the anticipated costs to complete the remedial & finishing works for each scenario. The lowest / minimal cost scenario is to complete all repairs and finish all roads to surface course asphalt in the 2020 construction season; however, there are risks associated with this scenario in that the surface works may (well) suffer damages during construction of the unfinished blocks and/or lots.

In the case of Peaks Meadows, Block 46 is a future development block originally zoned for a maximum of 65 units. The County and the Town have received Planning Act applications for this block, most recently proposing 16 single detached units. Approval of the proposed development on Block 46 will require water and sanitary services to be cut into Dorothy Drive. The Top Course asphalt will also have to be completely replaced at that time. Additionally, (as previously noted) the original Subdivision agreements did not contemplate placement of Top Course asphalt until 60% buildout.

For both Subdivisions, implementation of a value engineering exercise, (wherein deficiencies would be ranked, and only those with a positive cost/benefit would be corrected) will be undertaken to minimize remedial works. The value engineering exercise would be undertaken by the Town’s Manager of Development Engineering in association with the Engineer of Record, and, should be available by mid-June. For the Peaks Meadows Subdivision, the application of value engineering should allow completion of the original developer’s obligations to the Town, consistent with the original AFC drawings, (albeit without the normal cushion of a contingency allowance). In order to provide greater cost certainty, implementation of sidewalks on Barton
Bvd., and Dorothy Drive, would be a provisional contract items, to provide an approximately $70,000.00 contingency sum within the estimated Scenario 1 cost estimate.

The Ridge Estates Subdivision will require a much more extensive value engineering exercise. Deletion of the contingency sum of $66,000, the Curb repair estimate of $41,000, and the Sidewalk & Boulevard/Streetscaping estimate of $134,000, (contained within the detailed scenario cost estimates) could potentially allow the subdivision to be “finished”, with the available funds. However, the Subdivision will not have been competed to the Town’s normal standard (not all items included within the original Subdivision agreement will have been completed), as through the value engineering exercise, non-structural curb deficiencies (small cracks & chips) will not be corrected, driveways within the ROW are unlikely to be paved, and sidewalk construction would be deleted / deferred.

In both Subdivisions postponing Top Course until the completion of the Future Development Blocks (Block 46 in Peaks Meadows, and Block 38 in Ridge Estates), postpones any security shortfall, and allows time for an alternative funding source to be identified.

Consequently, a value engineering exercise, and Scenario #1 are recommended for both, Peaks Meadows, and the Ridge Estates Subdivisions, with implementation of half-load restrictions to minimize additional road deterioration.

F. The Blue Mountains Strategic Plan

Goal #4: Promote a Culture of Organizational & Operational Excellence
Objective #3 To Consistently Deliver Excellent Customer Service
Objective #5 Constantly Identify Opportunities to Improve Efficiencies and Effectiveness

Goal #5: Ensure Our Infrastructure is Sustainable
Objective #2 Avoid Unexpected Infrastructure Failure and Associated Costs and Liability
Objective #4 Ensure that Infrastructure is Available to Support Development

G. Environmental Impacts

None at this time.

H. Financial Impact

Completion of the value Engineering exercises discussed above will be required to quantify financial information.

I. In consultation with

Ruth Prince, Director Finance and IT
Shawn Carey, Director Operations
John Metras, Town Solicitor
J. Public Engagement

The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. Comments regarding this report should be submitted to Brian Worsley, developmentengineering@thebluemountains.ca

K. Attached

1. Attachment 1: PDS.19.04
2. Attachment 2: Base Course Repair Locations on George McRae Rd
3. Attachment 3: Typical Road Cross Section

Respectfully submitted,

Brian Worsley,
Manager Development Engineering

Nathan Westendorp, RPP, MCIP
Director of Planning and Development Services

For more information, please contact:
Brian Worsley
developmentengineering@thebluemountains.ca
519-599-3131 extension 224
A. Recommendations

THAT Council receive Staff Report PDS.19.04, entitled “Subdivision Defaults Update -- Peaks Meadows and Ridge Estates” for information.

B. Overview

The Peaks Meadows subdivision located east of Camperdown Road, and the Ridge Estates subdivision, located to the west of Camperdown Road, were both impacted by the 2008 economic slowdown, and are both effectively in default. The roads within the Ridge Estates subdivisions are in need of repair, additionally a number of street lights in both subdivisions require maintenance. Town staff are currently working through the provisions of the subdivision agreement(s) to have the subdivisions completed. The available securities for the Peaks Meadows may be adequate, but it is unlikely that the sufficient securities are available for Ridge Estates. A future report will provide additional detail as to any outstanding financial requirements that may be associated with ensuring these subdivisions are completed to a satisfactory standard by the Town.

C. Background

The Peaks Meadows subdivision, consisting of Barton Boulevard and Dorothy Drive located east of Camperdown Road, accounts for approximately 825 meters of roadway. The roads within the Peaks Meadows subdivision are in reasonable condition. The Ridge Estates subdivision, consisting of George McRae Road and Maryward Crescent, located west of Camperdown Road, accounts for approximately 900 metres of roadway. The roads within the Ridge Estates subdivisions are in need of repair. Both subdivisions were impacted by the 2008 economic slowdown, and are effectively in default. Past correspondence and meetings with the original Developers of both the Ridge Estates, and Peaks Meadows subdivisions, have not motivated the developers to finish the subdivisions. At this time, the developer(s) responsible for constructing the subdivisions are unable to complete the works required to ensure the infrastructure is constructed and/or completed to a standard that is acceptable to the municipality.
The unsold lots within the Peaks Meadows subdivision were conveyed by Royal Bank to another developer (2399494 Ontario Inc). Similarly, the unsold lots with the Ridge Estates subdivision were conveyed by HSBC Bank under power of sale to another developer (SOLCORP). In September of 2018, in accordance with the subdivision agreement, the Town withdrew all funds from the letters of credit (provided by the original developers) for both subdivisions. The letter of credit for Peaks Meadows amounted to $477,327.55. The letter of credit for Ridge Estates amounted to $433,124.90.

Fee proposals have been obtained from the Engineer of Record to assess the costs associated with the Town completing both subdivisions.

The fee proposal for Peaks Meadows totaled approximately $14,250 for site investigations, analysis & reporting, and tender preparation to prepare contract documents for works to complete the subdivision. A further sum of approximately $43,750 was identified for contract administration and warranty period services. The approximately $419,327 in funds remaining after the aforementioned engineering, provides approximately $500 per meter of roadway to complete the subdivision.

The fee proposal for Ridge Estates totaled approximately $24,250 for site investigations, analysis & reporting (including geotechnical investigations into the road failures), and tender preparation to prepare contract documents for works to complete the subdivision. A further sum of approximately $46,250 was identified for contract administration and warranty period services. The $362,624 in funds remaining after engineering provides approximately $400 per meter of roadway to complete the subdivision.

Some works, such as street light maintenance, are intended to be undertaken in parallel with the more detailed engineering investigations.

D. Analysis

Upon completion of the site investigations, analysis & reporting, and tender preparation identified above; Engineer’s estimates will be available to allow assessment of the sufficiency of the available securities. A further report will be brought forward in the spring/summer 2019 detailing the costs associated with completion of these subdivisions, adequacy of the available securities, and presenting options for Councils consideration if the available securities are deemed insufficient to complete the subdivision(s).

E. The Blue Mountains Strategic Plan

Goal #4: Promote a Culture of Organizational & Operational Excellence
Objective #3 To Consistently Deliver Excellent Customer Service
Objective #5 Constantly Identify Opportunities to Improve Efficiencies and Effectiveness

Goal #5: Ensure Our Infrastructure is Sustainable
Objective #2 Avoid Unexpected Infrastructure Failure and Associated Costs and Liability
Objective #4 Ensure that Infrastructure is Available to Support Development
F. Environmental Impacts

None at this time.

G. Financial Impact

Further information as to the required works and probable costs will be available upon completion of the Engineering investigations, designs & estimates. The financial information currently available is set out in the Table below.

<table>
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<tr>
<th>Development</th>
<th>Securities</th>
<th>Engineering &amp; Contract Administration</th>
<th>Remaining funds available for Works</th>
<th>Available $ per meter of road</th>
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<td>(Barton Boulevard &amp; Dorothy Drive; ~825m)</td>
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<tr>
<td>Ridge Estates</td>
<td>$433,124.90</td>
<td>$70,500.00 *</td>
<td>$362,624.90</td>
<td>~ $ 400</td>
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<tr>
<td>(George McRae Road &amp; Maryward Crescent; ~900m)</td>
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<td></td>
<td></td>
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</tr>
</tbody>
</table>

*Including Geotechnical investigations into road failures

H. In consultation with

Reg Ruwwurm, Director Infrastructure & Public Works
Ruth Prince, Director of Finance and IT Services
Shawn Everitt, Interim CAO
John Metras, Town Solicitor

I. Public Engagement

The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, consultation with area residents took place on January 3 and additional engagement
will be undertaken when more information is available. Comments regarding this report should be submitted to Brian Worsley, planning@thebluemountains.ca.

J. Attached

1. Peaks Meadows subdivision location plan
2. Ridge Estates subdivision location plan

Respectfully submitted,

Brian Worsley
Manager, Development Engineering

______________________________
Nathan Westendorp
Director of Planning and Development Services

For more information, please contact:
Name
planning@thebluemountains.ca
519-599-3131 extension 224
Typical Road Section

- Top Course Asphalt (40 mm)
- Base Course Asphalt (40 mm)
- Granular A (150 mm)
- Granular B (300 mm)
- Subgrade
- 2% cross fall
- 8.5m
- Curb