

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 24, 2014

Item 25, Report No. 30, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on June 24, 2014.

25

**ASSUMPTION AND COMPLETION OF OUTSTANDING WORKS
MAPLECREST ESTATES SUBDIVISION
PLAN OF SUBDIVISION 65M-3225 (19T-96V03)
WARD 1 – VICINITY OF MCNAUGHTON DRIVE AND KEELE STREET**

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Commissioner of Engineering and Public Works and the Director of Development/ Transportation Engineering, dated June 17, 2014:

Recommendation

The Commissioner of Engineering and Public Works and the Director of Development/ Transportation Engineering, in consultation with the Director of Development Finance and Investments and the Director of Legal Services, recommend:

1. That Council enact the necessary by-law assuming the municipal services that are set out in the Subdivision Agreement for Plan 65M-3225; and
2. That staff retain the necessary contractor(s) to complete the priority outstanding municipal works in the subdivision with funding from the development securities held by the City (Cash deposit) in the amount of \$257,584.59.

Contribution to Sustainability

The municipal services recommended for assumption in this report have been designed and constructed in accordance with City standards which include consideration for sustainability.

Economic Impact

The completion of the priority outstanding municipal works in the Maplecrest Subdivision by the City will be funded from the development securities held in cash by the City so there is no economic impact to the City.

Upon assumption of this development, approximately 1.5 lane kilometers of roadway and associated municipal services including sanitary sewers, storm sewers, storm water management facility, watermain, street lighting, sidewalk, etc., will be added to the City's network of infrastructure. This additional infrastructure is valued at \$1,078,690 and will incur the normal expense associated with annual operation and maintenance activities of approximately \$32,915 as shown on the following chart:

Item Description	As Constructed Costs (To Date)	Approximate Annual Operating Costs (*)
Watermain	\$ 188,440	\$ 5,325
Storm sewers	\$ 475,170	\$ 1,360
Sanitary Sewers	\$ 226,440	\$ 3,450
Road	\$ 67,600	\$11,730
Street lights	\$ 31,990	\$ 2,400
Trees	\$ 89,050	\$ 8,650
Totals	\$1,078,690	\$32,915

() Estimated Annual Operating Costs based on information from Public Works and the Parks and Forestry Operations Department.*

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The life cycle costs associated with this additional infrastructure will be accounted for in the City's Long Range Financial Plan.

Communications Plan

The pertinent City departments will be notified of the assumption of this subdivision.

Purpose

The purpose of this report is to inform Council that the developer of the Maplecrest Estates Subdivision (Vasi Development Ltd.) declared bankruptcy before fulfilling its obligation under the terms of the subdivision agreement with respect to the construction of the municipal services, and to seek approval to assume the municipal services in the subdivision as is and then proceed to retain the necessary contractor(s) to complete the municipal services in the subdivision with funding from the development securities that are currently held by the City.

Background - Analysis and Options

The Maplecrest Estates Subdivision is a 111 lot residential development that includes a park, commercial block and storm water management facility. The subdivision is located north of McNaughton Drive and west of Keele Street in Ward 1, as shown on Attachment No.1.

The Subdivision Agreement with Vasi Development Ltd. was executed on December 23, 1997, and the Plan of Subdivision 65M-3225 was subsequently registered on April 9, 1998. The construction of the base roads and municipal services was substantially completed in 1998, and the house building program began shortly afterwards.

Following the building program, the municipal servicing and landscaping works were substantially completed by the developer as certified by his consulting engineer in April of 2005. The developer's consulting engineer also certified that all the lots in the subdivision had been graded in accordance with the construction drawings and City standards.

The Developer declared bankruptcy and filed for dissolution in 2008 before rectifying all the deficiencies in the subdivision

Through inspection, City staff identified outstanding and deficient works in the subdivision. These works were not rectified by the developer so the subdivision did not proceed to assumption in the usual manner. On January 29 2008, the developer (Vasi Development Ltd.) went bankrupt and filed Articles of Dissolution (dissolving the corporation) without finishing the outstanding works. Learning of the bankruptcy and dissolution, the City immediately drew on the Municipal Services Letter of Credit and currently holds approximately \$258,000 in cash.

Over the last few years, City staff has been working with the parent company to Vasi Development Ltd. in an effort to have them address these outstanding deficiencies. Unfortunately, despite staff's efforts, the parent company eventually took the position that they were not prepared to complete the outstanding works because the current value of all the works was greater than the cash deposit held by the City so a full return on their investment was not possible.

Accordingly, at this point, staff is recommending that the City complete the necessary works with funding from the development securities.

A list of outstanding works has been prepared and prioritized by staff

In 2012, Staff from various departments re-inspected the municipal services in the subdivision and compiled a comprehensive list of outstanding works. The estimated cost to complete the

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entire list of deficiencies was greater than the available funding so the works had to be prioritized based on need as detailed in the table below:

PRIORITY OUTSTANDING MUNICIPAL WORKS	ESTIMATED COST
Concrete curb and sidewalk, asphalt and streetlight repairs	\$73,000
Removal of accumulated sediment in the storm water management pond and outfall channel, and headwall repair	\$100,000
Boulevard trees replacement	\$12,000
Planting, pruning and replacement of trees/shrubs in the open space and storm water management pond area. Turf cleanup and terraseeding. Removal of encroachments in the pond block	\$62,000
Construction contingency allowance	\$11,000
TOTALS	\$258,000

There are other works not listed above related to landscaping, installation of removable bollards, fencing repair and tree maintenance, which are valued at approximately \$30,000. Given that these works are not considered crucial to the livability of the neighbourhood nor the function of the municipal services, staff is recommending that they not be done at this time.

Outstanding municipal works to be completed through a City initiated capital project

The City will need to either retain a number of different contractors to complete the outstanding works or add elements of the work to an existing City contract. It is anticipated that much of the work could be completed in the 2014 construction season.

Assumption of the municipal services is supported

Given the circumstances, the Commissioner of Engineering and Public Works has received support from the relevant departments to assume the subdivision conditional on the priority outstanding works being completed by the City. In addition, the Development Finance and Investments Department has confirmed that the City's other financial requirements associated with this subdivision have been satisfied.

In addition, the City has the majority of the documentation required for assumption including a certificate from the developer's consulting engineer confirming that all the lots in the subdivision had been graded in accordance with the construction drawings and City standards.

Accordingly, staff is recommending that the municipal services in the subdivision be assumed at this time to facilitate the completion of the outstanding works. The assumption of the subdivision by the City is also the typical trigger for the residents to be eligible to request the return of any grading deposits from the home builders.

Relationship to Vaughan Vision 2020

The development of this subdivision and the assumption of the municipal services are consistent with Vaughan Vision 2020, which encourages management excellence through planned and managed growth and the maintenance of City assets and infrastructure. This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

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Regional Implications

There are no Regional implications with respect to the assumption of the municipal works within this subdivision development.

Conclusion

The developer of the Maplecrest Estates Subdivision (Vasi Development Ltd.) declared bankruptcy and dissolved the corporation before fulfilling its obligation under the terms of the subdivision agreement including the completion of the municipal services. Staff is recommending that the City assume the municipal services in the subdivision (Plan 65M-3225) and proceed to complete the priority outstanding municipal works with funding from the available development securities in the amount of approximately \$258,000.

It is anticipated that the assumption of the subdivision will also facilitate the residents getting any lot grading deposits back from their home builder.

Attachments

1. Location Map

Report prepared by:

Kevin Worth – Engineering Technologist - Development, ext. 8670

Frank Suppa, Manager of Development Inspection and Grading, ext. 8073

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

COMMITTEE OF THE WHOLE - JUNE 17, 2014

ASSUMPTION AND COMPLETION OF OUTSTANDING WORKS MAPLECREST ESTATES SUBDIVISION PLAN OF SUBDIVISION 65M-3225 (19T-96V03) WARD 1 – VICINITY OF MCNAUGHTON DRIVE AND KEELE STREET

Recommendation

The Commissioner of Engineering and Public Works and the Director of Development/Transportation Engineering, in consultation with the Director of Development Finance and Investments and the Director of Legal Services, recommend:

1. That Council enact the necessary by-law assuming the municipal services that are set out in the Subdivision Agreement for Plan 65M-3225; and
2. That staff retain the necessary contractor(s) to complete the priority outstanding municipal works in the subdivision with funding from the development securities held by the City (Cash deposit) in the amount of \$257,584.59.

Contribution to Sustainability

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Following the building program, the municipal servicing and landscaping works were substantially completed by the developer as certified by his consulting engineer in April of 2005. The developer's consulting engineer also certified that all the lots in the subdivision had been graded in accordance with the construction drawings and City standards.

The Developer declared bankruptcy and filed for dissolution in 2008 before rectifying all the deficiencies in the subdivision

Through inspection, City staff identified outstanding and deficient works in the subdivision. These works were not rectified by the developer so the subdivision did not proceed to assumption in the usual manner. On January 29 2008, the developer (Vasi Development Ltd.) went bankrupt and filed Articles of Dissolution (dissolving the corporation) without finishing the outstanding works. Learning of the bankruptcy and dissolution, the City immediately drew on the Municipal Services Letter of Credit and currently holds approximately \$258,000 in cash.

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Conclusion

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It is anticipated that the assumption of the subdivision will also facilitate the residents getting any lot grading deposits back from their home builder.

Attachments

1. Location Map

Report prepared by:

Kevin Worth – Engineering Technologist - Development, ext. 8670
Frank Suppa, Manager of Development Inspection and Grading, ext. 8073

Respectfully submitted,

Paul Jankowski, P. Eng.
Commissioner of Engineering and Public Works

Andrew Pearce, C.E.T.
Director of Development/
Transportation Engineering

ATTACHMENT No. 1



ASSUMPTION APPROVAL MAPLECREST ESTATES SUBDIVISION

19T-96V03 65M-3225

LOCATION: Part of Lots 23, Concession 4

LEGEND

 SUBJECT LANDS

Note: Aerial photography acquired in spring, 2011



NOT TO SCALE

THE CITY OF VAUGHAN

BY-LAW

BY-LAW NUMBER 081-2014

A By-law to assume Municipal Services in Maplecrest Estates Subdivision, 19T-96V03, Registered Plan 65M-3225.

WHEREAS the Subdivision Agreement between the City of Vaughan and Vasi Development Ltd. provides for the installation of certain public services.

AND WHEREAS the Commissioner of Engineering and Public Works has received certification that the services in Registered Plan 65M-3225, have been constructed and installed in accordance with City specifications.

NOW THEREFORE the Council of The Corporation of the City of Vaughan ENACTS AS FOLLOWS:

- I. THAT the services in Registered Plan 65M-3225, more particularly described in the Subdivision Agreement between The Corporation of the City of Vaughan and Vasi Development Ltd. dated December 15, 1997, be and they are hereby assumed as public services.

Enacted by City of Vaughan Council this 24th day of June, 2014.

Hon. Maurizio Bevilacqua, Mayor

Jeffrey A. Abrams, City Clerk