

Clause 19 in Report No. 10 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on June 28, 2018.

19

Shared Access and Servicing Capital Cost-Sharing Agreement for the Unionville Seniors Affordable Housing Development

Committee of the Whole recommends adoption of the following recommendations contained in the report dated May 25, 2018 from the Commissioner of Community and Health Services:

1. The Region enter into a cost-sharing agreement with Minto Communities Inc. and Unionville Home Society, or their subsidiaries or related entities, to complete shared access and servicing capital improvements for a cost of approximately \$3 million, within the Capital Spending Authority for this Project.
2. Council authorize the Commissioner of Community and Health Services to authorize and execute the Cost Sharing Agreement and all necessary ancillary documents required.

Report dated May 25, 2018 from the Commissioner of Community and Health Services now follows:

1. Recommendations

It is recommended that:

1. The Region enter into a cost-sharing agreement with Minto Communities Inc. and Unionville Home Society, or their subsidiaries or related entities, to complete shared access and servicing capital improvements for a cost of approximately \$3 million, within the Capital Spending Authority for this Project.
2. Council authorize the Commissioner of Community and Health Services to authorize and execute the Cost Sharing Agreement and all necessary ancillary documents required.

2. Purpose

This report seeks Council approval to enter into a cost-sharing agreement with Minto Communities and Unionville Home Society to complete shared access and servicing capital improvements to facilitate the Unionville Seniors Affordable Housing Development.

3. Background and Previous Council Direction

Council approved the Unionville Seniors Affordable Housing Development in 2016 and planning approvals were secured in early 2018

In [March 2016](#), Council approved purchase of a parcel of land from Minto Communities to construct a senior's affordable housing building. The Region's future site will be 2.48 acres, and is located in the centre of the Unionville Home Society campus near Highway 7 and Main Street in Unionville, as shown in Attachment 1.

Development applications were submitted to the City of Markham in March 2017. Approval to amend the Official Plan and Zoning Bylaw were obtained from Markham Council in February 2018. The Site Plan has been endorsed in principle by City Council, and is currently in the final stages of review with Markham staff, with approval anticipated over the summer. The land purchase transaction is expected to close in the fall of 2018.

Shared access and servicing improvements are required to facilitate the development and will benefit all three parties

There are three parties involved, as shown in Table 1. Each of the three parties has plans to develop or redevelop on the campus and therefore require improvements to access and services. An overview of planned developments is provided in Table 1.

**Table 1
Overview of Planned Developments**

Partner	Planned Development	Approximate Number of Units	Approximate Population (% of Total Development)	Approximate Development Timing
York Region	Seniors Affordable Housing	264	538 (43%)	2018 - 2021
Minto Communities	Private Market Townhomes	153	444 (36%)	2021 - 2023
Unionville Home Society	To Be Determined	120	260 (21%)	TBD (Beyond 2020)

The capital infrastructure included in this agreement will benefit all parties, and will be primarily located within the land immediately adjacent to Unionville Long Term Care Centre, as shown in Attachment 1. The capital work includes:

- Water, sanitary and storm services
- Utilities (i.e. hydro, telecom)
- Driveways and pathways

As all three parties will benefit from these improvements, a cost-sharing agreement is needed to identify the proportionate share of the benefits and the costs.

4. Analysis and Implications

Oversight, transparency, and competitive pricing are fundamental to the cost-sharing process

Minto Communities has retained an engineering firm, SCS Consulting Group Ltd., to design and plan the civil work required throughout the entire site. As part of that exercise, SCS Consulting Group Ltd. prepared cost estimates for all of the work, and developed guiding principles based on industry best practices for allocating costs among the parties. Key principles in the cost-sharing agreement will include:

Shared Access and Servicing Capital Cost-Sharing Agreement for the Unionville Seniors Affordable Housing Development

- Each party's share is based on their proportionate population for the new development, based on the People Per Unit metric from the 2011 Census for the City of Markham
- Each party shares the cost only for improvements they are receiving benefit from
- Capital work is procured in a competitive manner and awarded based on best value

A trustee will be secured to oversee administration of the cost-sharing agreement

A trustee will be appointed to oversee the administration and accounting of the cost-sharing agreement. It is anticipated the trustee will be a lawyer who is retained jointly by the three parties, and will administer the cost-sharing agreement on a fee basis. The cost-sharing agreement will include front-funded payment to the trustee. The trustee will process payments to contractors, based upon the recommendation of a payment certifier and with sign off by representatives from each party. At the end of the works, a reconciliation will be completed to ensure all parties contribute only to their portion of the shared works.

The work required to facilitate the development has been estimated using construction industry standard prices. Best efforts have been taken to ensure the estimates are accurate and account for all forecasted conditions. In the event that it is required, scope and contingency changes for the Region's share will be applied using the same process and limits laid out in the Region's [Purchasing Bylaw](#).

5. Financial Considerations

Approximately \$3 million of servicing and infrastructure are necessary to complete and facilitate construction of the Region's building

The estimated cost of completion of all shared servicing and infrastructure work across the three benefitting properties is approximately \$5.8 million. Most servicing and infrastructure work will benefit all three parties. Based on the cost-sharing principles the Region's portion is approximately \$3 million. Included in this is approximately \$700,000 in works on the Region's parcel of land that benefit only the Region. This work is included in the cost-sharing agreement in order to facilitate construction at the same time as the cost-shared works. Table

Shared Access and Servicing Capital Cost-Sharing Agreement for the Unionville Seniors Affordable Housing Development

2 sets out the estimated proportionate cost allocated to each party based on the cost-sharing methodology.

Table 2
Total Shared Services Cost Estimate for All Parties

Partner	Total Proportionate Share (\$)
Unionville Home Society	882,647
Minto Communities	1,886,997
York Region	2,985,434
Total	5,755,078

The Region's proportionate share of the total cost is not consistent across all categories of capital work, as the benefit is different in certain cases. The cost-sharing methodology considers each construction category, the benefiting parties, and the proportionate cost for each benefiting party based on the projected population. For example, the Region is the sole beneficiary of driveways and services on its parcel of land, and as such, the Region fully funds those costs. Table 3 provides a breakdown of the Region's shared service estimate costs by category.

Table 3
Total Shared Services Cost Estimate by Category for York Region

Category	Region's Proportionate Share (\$)
Water, sanitary and storm services	1,093,803
Driveways, lighting & walkways	1,664,025
Utilities (i.e. hydro, telecom)	220,000
Total	2,985,434

The sanitary, storm and water services will ultimately be transferred to and maintained by the City of Markham. The Region and Unionville Home Society will need to enter into a separate operations and maintenance agreement for the shared access driveway.

The fee to administer the cost-sharing agreement will be shared among the parties and will be managed within the capital costs of the project.

Costs are within the project's capital spending authority and the 2018 capital budget

The total approved project budget is \$80 million, and these works were included in the forecasted project costs. The \$3 million is within the 2018 approved capital budget and capital spending authority.

6. Local Municipal Impact

Redevelopment of the Unionville Home Society campus is consistent with the intent of the plans and policies designed to direct future growth in the City of Markham. The development of an affordable housing building for seniors will benefit the residents of Markham and contribute to the campus of care envisioned by Unionville Home Society. Additionally, a community centre and senior's hub is contemplated within the Housing York Inc. building and this will provide residents with a significant community benefit.

7. Conclusion

The three partners in the Unionville Home Society campus redevelopment require approximately \$5.8 million worth of servicing and infrastructure work as the first phase of redevelopment. All three parties will benefit from this work, therefore a front-loaded cost-sharing agreement for all design, construction, and administration costs is recommended. York Region's proportionate cost of the work is estimated to be \$3 million.

For more information on this report, please contact Rick Farrell, General Manager of Housing, at 1-877-464-9675 ext.72091.

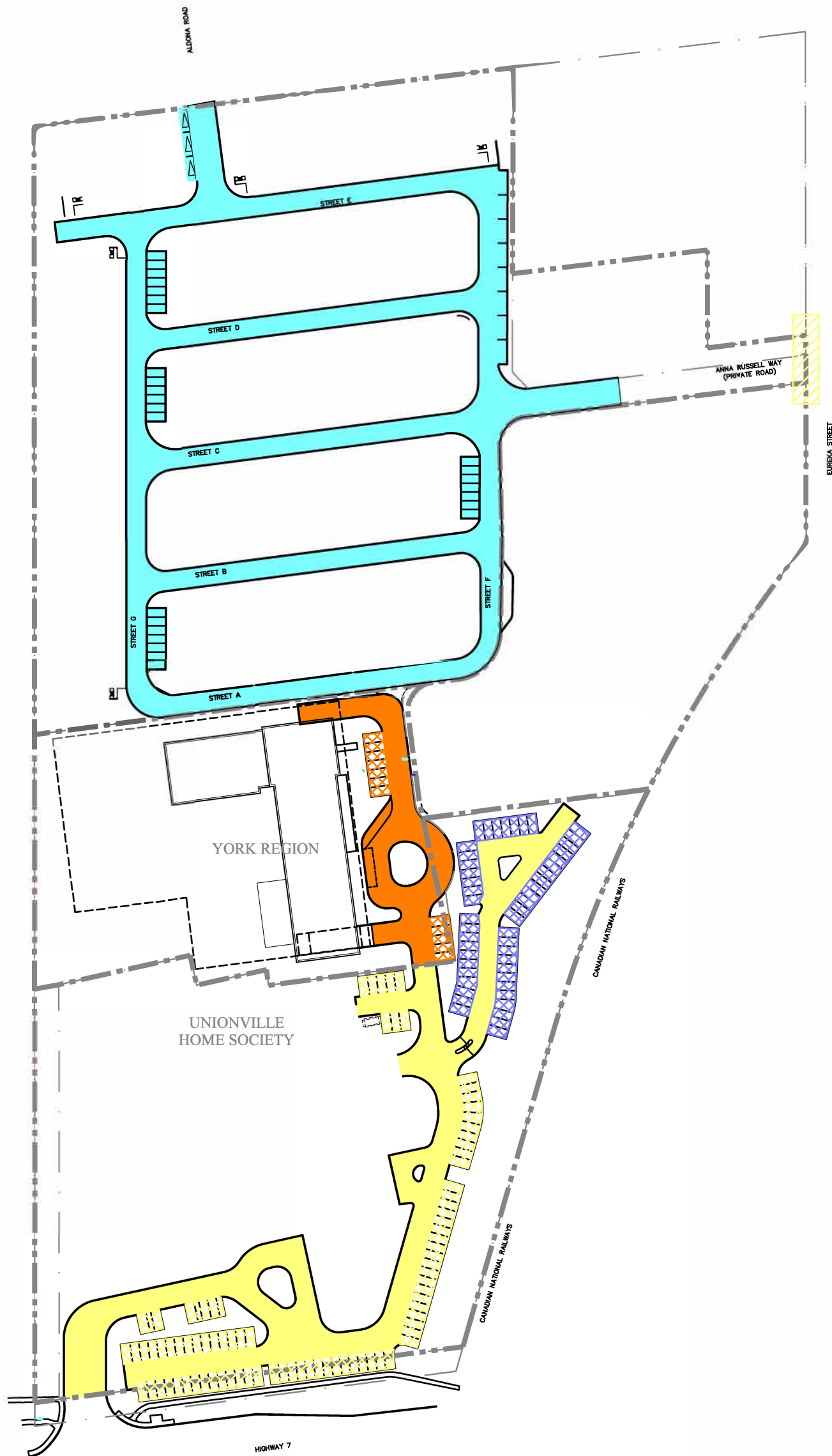
The Senior Management Group has reviewed this report.

May 25, 2018

Attachment (1)

8462020

Accessible formats or communication supports are available upon request



*NOTE: LAYOUT IS SCHEMATIC ONLY, DETAILS TO BE PROVIDED AT DETAILED DESIGN STAGE.
 UNDERGROUND SERVICING AND STORMWATER MANAGEMENT ARE NOT SHOWN IN THIS FIGURE.
 THIS FIGURE IS FOR YORK REGION COUNCIL REPORT.

LEGEND:

- PROPOSED PARKING
- INTERSECTION IMPROVEMENTS COST SHARED TO ACCOMMODATE YRT ACCESS
- REPLACEMENT UHS PARKING SPACES COST SHARED
- ADDITIONAL UHS PARKING SPACES 100% UHS COST
- REGION PARKING SPACES 100% REGION COST
- REGION DRIVEWAY 100% REGION COST (NOT COST SHARED)
- REPLACE COMMON DRIVEWAY COST SHARED
- MINTO DRIVEWAY AND PARKING 100% MINTO COST (NOT COST SHARED)

UHS/REGION OF YORK/MINTO

UHS RE-DEVELOPMENT

LOCATION OF WORKS AND COST RESPONSIBILITY



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 MARKHAM, ONTARIO L3R 8B8
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DESIGNED BY: M.J.H. CHECKED BY: J.L.B.
 SCALE: 1:1500 DATE: MAY 2018

PROJECT No:
1712

FIGURE No:
1.0