

To: Economic and Development Services Committee

From: Warren Munro, HBA, MCIP, RPP, Commissioner,
Economic and Development Services Department

Report Number: ED-23-105

Date of Report: May 3, 2023

Date of Meeting: May 8, 2023

Subject: Capital Cost Sharing Agreement with George Lysyk & Sons
Limited

Ward: Ward 5

File: SPA-2022-06

1.0 Purpose

On April 17, 2023, the Economic and Development Services Committee considered Correspondence ED-23-87 from George Lysyk & Sons Limited requesting that the City of Oshawa enter into an agreement concerning the design tendering and construction of Dieppe Court and adopted the following resolution:

“That Correspondence ED-23-87 concerning George Lysyk & Sons Ltd. requesting the City of Oshawa to enter into an agreement concerning the design, tendering, and construction work for the road urbanization on Dieppe Court be referred to staff for a report.”

The purpose of this Report is to respond to the above referral.

Attachment 1 to this Report is a copy of ED-23-87.

Attachment 2 to this Report is an exhibit showing the location of Dieppe Court, the proposed development site at 465 Dieppe Court and the location of the three (3) existing single detached dwellings on Dieppe Court.

Attachment 3 to this Report shows the 2024 to 2027 Road Reconstruction Program candidates.

2.0 Recommendation

That the Economic and Development Services Committee recommend to City Council:

1. That, pursuant to Report ED-23-105 dated May 3, 2023, regarding the request from George Lysyk & Sons Limited to enter into a Capital Cost Sharing Agreement for the reconstruction of Dieppe Court, that the Commissioner of Economic and Development Services be authorized to sign the agreement provided the agreement is in a form and content acceptable to the City Solicitor and the Commissioner of Corporate and Finance Services.
2. That, pursuant to Report ED-23-105 dated May 3, 2023, funding in the amount of \$240,000 be approved from the Infrastructure Reserve for reimbursement to George Lysyk & Sons Limited, subject to the execution of a Capital Cost Sharing Agreement.
3. That, pursuant to Report ED-23-105 dated May 3, 2023, Council waive the Purchasing By-law requirements and allow George Lysyk & Sons Limited to design and construct the work associated with the reconstruction of Dieppe Court.

3.0 Executive Summary

Not applicable.

4.0 Input From Other Sources

- Commissioner, Corporate and Finance Services
- City Solicitor

5.0 Analysis

5.1 Dieppe Court Existing Condition

The road section associated with Dieppe Court is detailed below in Table 1:

Table 1: Road Section Location and Rating

Street Name	From	To	Pavement Condition Rating
Dieppe Court	Hillcrest Drive	50 metres (164.04 ft.) west of Hillcrest Drive	15

The City applies a systematic approach to decision-making in regards to the construction, acquisition, operation, maintenance, renewal, replacement, and disposition of assets in the most cost-effective manner. The process takes into consideration whole life costs, climate change and adaptation, and risk and is reflected in Table 2 below.

Table 2: Oshawa Road Ratings and Strategies

Pavement Condition Rating	Structural Adequacy	Strategy	Description
80-100	16-20	Preventative	The roads are functioning as intended. Limited, if any, deterioration observed.
60-79	12-15	Restorative	The roads are functioning as intended. Normal deterioration and minor distress observed. Maintenance will be required within the next 5 years to maintain functionality.
40-59	08-11	Rehabilitative	The roads are starting to not function as intended. Significant distress observed. Maintenance and some repair required within the next few years to restore functionality.
0-39	1-7	Reconstruction	The roads are not functioning as intended. Significant deterioration and major distress observed, with possible damage to the base. Requires immediate attention.

Based on current road condition, maintenance demand and infrastructure risk, reconstruction of Dieppe Court is forecasted for 2025. Dieppe Court has a Pavement Condition Rating of 15 out of 100.

5.2 George Lysyk & Sons Limited Development

George Lysyk & Sons Limited has applied for Site Plan Approval for 465 Dieppe Court to develop the site with a 3 storey residential building with 20 stacked townhouses.

Dieppe Court also has 3 other residential units that are single dwelling units (see Attachment 2).

The development is scheduled to be completed at the end of 2025 with underground servicing work occurring in late Spring 2023. It would not be appropriate to construct either the road or the development in advance of the other. Therefore, in the interest of public safety and access requirements to the subject development, the urbanization of Dieppe Court needs to occur at the same time underground servicing is occurring.

The urbanization of the Dieppe Court right-of-way is the responsibility of the City of Oshawa.

Staff do not have the ability to complete this work in time for this development planned completion of 2025.

5.3 Request for Front-ending Agreement

On March 21, 2023, a Letter from George Lysyk & Sons Limited submitted a request for the City to enter into a Capital Cost Sharing Agreement with the City to undertake the design, tendering, and construction work associated with the reconstruction of Dieppe Court.

Section 44 of the Development Charges Act, 1997, S.O. 1997, c. 27, allows a municipality to enter into a front-ending agreement as a means for advancing public infrastructure (roads, sewers, watermains, etc.) to support development and growth.

The terms of the agreement include what is to be built, what the re-payment terms are and any supporting conditions.

The request, if approved, will help advance the development of the 465 Dieppe Court with 20 stacked townhouses representing an estimated \$4 million investment in the City.

5.3.1 Potential Benefits

Entering into a front ending agreement would:

- demonstrate collaboration with the development community;
- allow more projects to be completed by the City;
- shift risk from municipality to developer;
- allow for timely construction of infrastructure;
- include the required controls for the City to ensure proper construction/financial methods and oversight; and,
- reduce risk to the City for potential delays as it would not be a City executed contract.

5.3.2 Potential Risks

Entering into a front ending agreement would also:

- limit the impact ability to fund large scale projects in 2024 and remainder of the forecast, as pre-budget approval of 74-0077 will result in this project “jumping the line”. There are several other Growth Road Related Projects competing for available funds forecasted in 2024 as shown in Section 5.5; and,
- shift control of capital spending from the municipality to the developer.

5.4 Road Reconstruction Program

74-0077 Road Reconstruction Program is currently estimated to be \$2,040,000 (Class D Estimate). Roads included in the 2025 Road Reconstruction project currently include the following in addition to Dieppe Court:

1. Meadow Street from Avalon Street to Manor Drive (\$753,000);
2. Myers Street from Wolfe Street to Sharon Avenue (\$206,000);

3. Myers Street from Sharon Ave to Conant Street (\$204,000);
4. Rolson Street from 75 metres (246.06 ft.) west of Ritson Road North to Ritson Road North (\$345,000); and,
5. Selleck Lane from Simcoe Street North to 183 metres east of Simcoe Street North (\$292,000).

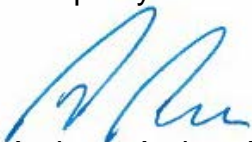
Approving the recommendation in this Report will essentially promote Dieppe Court in advance of the above noted projects.

6.0 Financial Implications

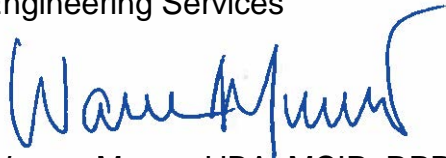
The project, if approved, will be funded with \$240,000 from the Infrastructure Reserve.

7.0 Relationship to the Oshawa Strategic Plan

The recommendation in this Report advances the Accountable Leadership and Economic Prosperity and Financial Stewardship goals of the Oshawa Strategic Plan.



Anthony Ambra, P.Eng., Director,
Engineering Services



Warren Munro, HBA, MCIP, RPP, Commissioner,
Economic and Development Services Department

GEORGE LYSYK & SONS LIMITED

**Item: ED-23-105
Attachment 1**

Via email: WMunro@oshawa.ca

March 21st, 2023

Attn: Warren Munro
The Corporation of the City of Oshawa
50 Centre Street South
Oshawa, ON
L1H 3Z7

**Re: George Lysyk & Sons Ltd.
465 Dieppe Court – Staked Townhouse Development
City of Oshawa File No.: SPA-2022-06
Front Ended Funding Agreement**

Dear Commissioner Munro,

This letter is to serve as a formal request for the City of Oshawa to enter into an agreement with George Lysyk & Sons Ltd. to allow the same to take responsibility, on behalf of the City, for the design, tendering, and construction work associated with the road urbanization on Dieppe Court.

As previously established through the purchase and sales agreement of the subject development (465 Dieppe Court), the urbanization of the Dieppe Court right-of-way is the responsibility of the City of Oshawa. Our intention is to begin underground servicing works in late Spring 2023, with construction of the stacked townhouse to follow once all the services have been installed. In the interest of public safety and access requirements to the subject development, the urbanization of Dieppe Court needs to occur at the same time underground servicing is occurring.

If the City permits, George Lysyk and Sons Ltd. will proceed immediately with the design and construction of Dieppe Court on their behalf. Should you have any further questions regarding this matter, please do not hesitate to contact the undersigned.

Thank you for your consideration.

Sincerely,



Max Lysyk, P.Eng
Development Manager – George Lysyk & Sons Ltd.

71 Southwood Street, Oshawa, ON, L1G 6L6
Tel (905)-259-2197 Fax (905)-576-1086

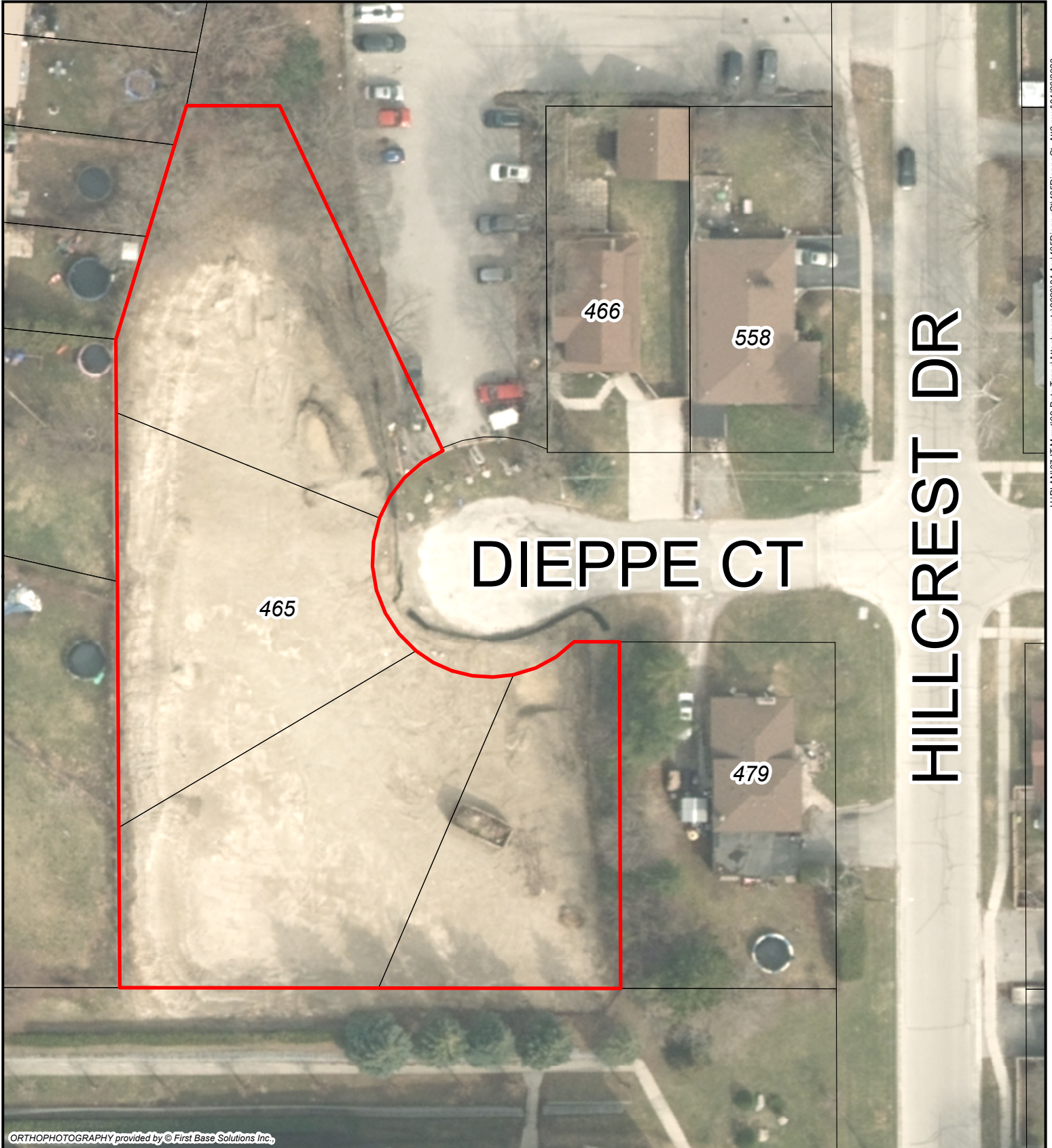
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Item: ED-23-105
Attachment 2



 Proposed Development Site

City of Oshawa
Economic and Development Services 



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Forecasted 74-0077 Road Reconstruction Program 2024-2027 – Road Candidates

2024 – 74-0077 Road Reconstruction Program

Road Section	Name	From	To	Ward	Amount
401580	Coleridge Street	Whitman Crescent	Emerson Avenue	5	\$250,000
401585	Coleridge Street	Emerson Avenue	Tennyson Avenue	5	\$253,000
102770	Ritson Road South	Kawartha Avenue	Southlawn Avenue	5	\$295,000
102780	Ritson Road South	Southlawn Avenue	Wellington Avenue West	5	\$476,000

2025 – 74-0077 Road Reconstruction Program

Road Section	Name	From	To	Ward	Amount
102800	Ritson Road South	Wellington Avenue West	Simcoe Street South	5	\$763,000
402120	Dieppe Court	50 metres west of Hillcrest Drive	Hillcrest Drive	5	\$240,000
935200	Meadow Street	Avalon Street	Manor Drive	2	\$753,000
200450	Myers Street	Wolfe Street	Sharon Avenue	5	\$206,000
200460	Myers Street	Sharon Avenue	Conant Street	5	\$204,000
506260	Rolson Street	75 metres west of Ritson Road North	Ritson Road North	4	\$345,000
910980	Selleck Lane	Simcoe Street North	183 metres east of Simcoe Street	2	\$292,000

2026 – 74-0077 Road Reconstruction Program

None

2027 – 74-0077 Road Reconstruction Program

Road Section	Name	From	To	Ward	Amount
100080	Albert Street	66 metres south of Bloor Street	Bloor Street East	5	\$295,000
100100	Annis Street	Albert Street	Margaret Street	5	\$305,000
301220	Celina Street	Fisher Street	64 metres north of Fisher Street	5	\$199,000
501700	Division Street	Rosedale Avenue	90 metres north of Rosedale Avenue	4	\$529,000
503460	Grove Avenue	Jarvis Street	Division Street	4	\$175,000
304620	Montrave Avenue	Bloor Street West	76 metres north of Bloor Street West	5	\$313,000
305000	Park Road South	Bloor Street West	65 metres north of Bloor Street West	5	\$260,000
604340	Regent Drive	62 metres west of Riverside Drive	Riverside Drive North	3	\$201,000
103240	Stone Street	Cedar Street	270 metres east of Cedar Street	5	\$189,000
704780	Woodlea Crescent	Glenmanor Drive	Glenmanor Drive	2	\$743,000