

| Option # | Description | Cost Recovery Mechanism | Pros | Cons |
|--|--|--|---|--|
| 1 - Development Charge Projects - City Controlled | Projects included in DC Background Study | The City recovers costs from payment of area specific DC charges at issuance of building permits | Developers do not have to front-end finance of future servicing works (developer perspective) | The City controls implementation of construction works |
| | The City is responsible for financing, tendering, construction, etc., of capital works | Project costs indexed annually until development occurs | | More cumbersome administratively because of area specific charges |
| | | | | The City would have to debt finance capital costs |
| | | | | Costs usually higher when the City tenders capital programs |
| | | | | The City is subject to more regulations/policies than private sector |
| | | | | Recovery of external servicing costs dependant on timing of development. May be long timeframes. |
| 2 - Development Charge Projects | Projects identified in DC Background Study | Developer (i.e. Spacebuilders) required to enter into DC crediting agreement with the City for their share of servicing costs | Developer has control over implementation of infrastructure | Compounding index charges for capital works may become exorbitant |
| | First developer to proceed (e.g. Spacebuilders) must front-end finance and emplace servicing works | For external land servicing costs, as condition of subdivision approvals, the City would request developers/builders to pay their share of benefitting servicing costs as soon as development proceeds | Minimal City involvement | |
| | Benefitting area recovery cost indexed annually in keeping with annual construction costs | Service works will be indexed annually | Developers assume risk for collect back of servicing costs (City perspective) | |
| | | | The City does not have any financial responsibility | |
| | | | Potential lower construction costs | |
| | | | Developer not subject to same rules, regulation and policies as the City | |
| 3 - Cost Recovery Agreements - No City Front-End Financing | Projects not included in DC Background Study. | Once development proceeds for Brigil and external lands, they will be requested to pay their share of benefitting servicing costs and applicable interest charges as a condition of subdivision approval | The City's role for emplacement of infrastructure is minimal | Developers assumes financial collect back risks |

Table 5.1 - Summary of Servicing Cost Recovery Options

| Option # | Description | Cost Recovery Mechanism | Pros | Cons |
|--|---|--|---|---|
| | Developer front-end finances and emplaces servicing works | Spacebuilders enters into front-end financing agreement with the City as condition of subdivision approval | Administratively less cumbersome for the City | |
| | | Front-ending agreement indicates that "City will endeavour to the best of its legal ability" to impose collect back agreements for developments | Developers front-end finance all future servicing works | |
| | | | Developers control construction timing | |
| | | | Procedures consistent with past practices | |
| 4 - Cost Recovery Agreements - City Front-Ends External Land Servicing Costs | Projects not included in DC Background Study | City will front-end 100% of external land servicing costs | The City's involvement in infrastructure placement is minimal | The City assumes financial risk since timing is unknown for external land servicing |
| | Spacebuilders subdivision agreements will contain a clause "that to the best of its legal ability" the City will require Brigil to pay their share of servicing costs at time of subdivision approval | As external lands development proceeds, landowners will be required (as condition of subdivision approval) to pay their share of servicing costs plus indexation | Less cumbersome process since no DC rules/regulations | Impacts the City debt financial limits (\$5.6 million) |
| | Spacebuilders will front-end finance Brigil's shared servicing costs | Brigil's shared contribution costs will be directed to Spacebuilders | City demonstrates "partnership" philosophy with development community | Establishes precedent for other developments |
| | | | | Not consistent with past practices re: front-ending emplacement of infrastructure for other benefitting lands |
| 5 - Cost Recovery Agreements - Shared Financial Risk | Same as Option #4, except both the City and the developer share equally in financial risks re: collect back for external lands | As external land development proceeds, the City imposes collect-back agreements for advanced servicing costs | Same as Option #4 | Same as Option #4 except the City's financial risk is reduced to \$2.8 million |
| | Brigil's servicing costs front-ended by Spacebuilders | 50% of collect back monies go to the City and 50% to Spacebuilders | | |
| | | Brigil reimburses Spacebuilders the servicing costs plus interest as soon as their development proceeds | | |