

# Council Memo



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To	<b>City Council</b>
Service Area	Office of the Chief Administrative Officer
Date	Wednesday, April 23, 2025
Subject	<b>Municipal Service and Financing Agreements Policy Amendments</b>

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## Memo

Staff received feedback from Committee of the Whole and the development community since the draft Municipal Service and Financing Agreements (MSFA) Policy was released on the Committee of the Whole agenda in report 2025-14. This feedback has been reviewed by the project team, and in some cases, have resulted in recommended amendments to the draft policy, which are outlined below.

### Appeal Process

A question was raised during the Committee of the Whole discussion related to appeal mechanisms for MSFA applications that are declined by staff. The draft policy did not include an appeal provision, and the below amendment is proposed to section 10.2 to outline the process for consideration by Council of an application declined by staff:

**Original 10.2:** Council Review at the Discretion of City Treasurer – the City Treasurer may, at their discretion, determine that an application for an MSFA should be presented to Council for decision.

**Revised 10.2:** Staff are delegated authority to manage applications under this policy and determine whether any specific application should proceed through the process based on the policy parameters. The City Treasurer may, at their discretion, determine that an application for an MSFA should be presented to Council for decision. In the event that the staff determine an application will not proceed and the applicant does not agree with this decision, the matter will be escalated to the Chief Administrative Officer and Committee of the Whole Service Area Chair, to determine whether the matter will be added to a Council agenda under the City’s Procedural By-law, in effect from time to time.

### Design Costs Recovery

Feedback was received requesting greater clarity that the reasonable cost of developing a detailed design, as required under the policy as part of the application and agreement process, is recoverable through an executed agreement. Updated wording to clarify intent is proposed below for section 6.4, and section 6.5 has been added, as follows:

**Original 6.4:** For certainty, a Developer must submit an application for an MSFA to the City prior to the commencement of the detailed design of the proposed works. MSFAs cannot apply retroactively. If a Developer has completed detailed design or begins construction of any works prior to receiving the requisite approval from the City through an executed MSFA, the works are ineligible for DC credit or reimbursement and will be completed at the Developer's own expense and risk, including the risk that the City may not assume the works.

**Revised 6.4:** A Developer must submit an application for an MSFA to the City prior to the commencement of the detailed design of the proposed works. Any services, studies, design or works undertaken or procured by a Developer prior to execution of an MSFA are at the Developer's own risk and cost, and subject to section 6.5 below, are ineligible for DC credit or reimbursement.

**New section 6.5:** Notwithstanding section 6.4, the cost to develop a Work Plan, including detailed design, can be recovered through an executed MSFA to the extent that the costs are deemed reasonable.

Staff propose the following updated recommendations for Council to action the information presented in this Council Memo and revise the MSFA policy as outlined above.

## **Recommendation**

1. That the amended Municipal Service and Financing Agreements Policy, included as Attachment-1 to Council Memo 2025-191 - Municipal Service and Financing Agreements Policy Amendments, dated April 23, 2025, be approved and implemented using a phased approach as described in report 2025-14.
2. That the Delegated Authority By-law be updated at the earliest administratively convenient opportunity to reflect the authority provided to City staff in the Policy.
3. That the User Fees and Charges By-law be amended to add the new application and administration fees as outlined in report 2025-14 - Municipal Service and Financing Agreements Policy.

## **Attachments**

Attachment-1 Municipal Service and Financing Agreements Policy

**This memo was approved by:**

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