

Staff Report

Report To: City Council
Report From: Matthew Pierog, Engineering Technologist
Meeting Date: July 27, 2026
Report Code: OP-26-038
Subject: Servicing Agreement - Off-Site Improvements to Support U-Haul Site Plan Application (2010 16th Street East)

Recommendations:

THAT in consideration of Staff Report OP-26-038 respecting the Servicing Agreement for U-Haul and the City of Owen Sound for 2010 16th Street East, City Council directs staff to bring forward a by-law to authorize the Mayor and Clerk to execute the Servicing Agreement.

Highlights:

- City staff processed conditional Site Plan Approval for U-Haul at 2010 16th Street East in the fall of 2025.
- A condition of the Site Plan Approval required the owner to enter into a Servicing Agreement with the City to permit construction of necessary off-site infrastructure to support the development.
- U-Haul has paid fees associated with the existing roadway and intersection infrastructure improvements constructed by other private developers.
- U-Haul has requested that the City modify the ultimate financial contribution total required of them for the existing infrastructure.
- The requested financial modification would be a net zero cost for the City; however, if adjacent development did not occur promptly, the City would temporarily front-end payment of approximately \$74,300.00 in 2032, to be paid for from reserves.

Vision 2050 - Strategic Plan Alignment:

[Strategic Plan](#) Priority: The recommendation contributes to core service delivery or a corporate initiative that enables service delivery for one or more strategic priorities.

Previous Report/Authority:

- Site Plan [DA-25-018](#) – 2010 16th Avenue East – U-Haul – correspondence provided for information regarding Site Plan Approval.
- Staff Report [OP-22-043](#) – Servicing Agreement – Hwy 26 & 20th Commercial Inc.
- [Servicing Agreement](#) for 1960 16th Street East (revised to 1660 20th Avenue East) with Hwy 26 & 20th Commercial Inc. (2022)
- Staff Report [OP-22-044](#) – Site Plan Control Agreement for 2125 16th Street East – Heritage Grove Centre Inc. Cost Recovery

Background:

City staff provided conditional Site Plan Approval on October 14, 2025, for the construction of a self-storage facility and a vehicle rental establishment located at 2010 16th Street East (U-Haul facility), presented for information on November 19, 2025, to the Community Services Committee. Among the conditions in Schedule 'F' of the Staff Report, the Owner, U-Haul, was required to enter into a Servicing Agreement with the City to facilitate the off-site improvements within the road allowance to support the development.

The primary access for the proposed development is from 20th Avenue East, between 16th Street East and 17th Street East. This section of 20th Avenue East was privately constructed by the adjacent owner to the west as part of a previously approved Site Plan (City File No. ST2021-012, known as Thompson Centres). The construction of this section of 20th Avenue East, including the upgrades to the intersection to the south, 16th Street East/20th Avenue East, was subject to a cost-sharing methodology for benefiting landowners, administered through a Servicing Agreement (2022).

In accordance with previously approved cost-sharing methodologies ([OP-22-043](#) & [OP-22-044](#)), required fees for the roadway and intersection improvements have been collected by the City from U-Haul as part of the current Site Plan Approval Application (City File No. ST2025-012).

The Owner is seeking approval to modify the existing cost-sharing methodology that was identified in OP-22-043 to add additional benefitting lands and thereby spread the costs. Their proposal entails a future reimbursement of half of the intersection upgrade costs paid by U-Haul, approximately \$74,300.00 (half of \$148,600.00) to the two (2) vacant lots north of 17th Street East (benefiting lands); this is consistent with the logic used in the original 2022 Servicing Agreement.

Analysis and Options:

The development of 2010 16th Street East (U-Haul) requires a Servicing Agreement with the City to authorize off-site improvements within the City's road allowance necessitated to support the current Site Plan Approval Application (City File No. ST2025-012). The off-site works identified for this development involve typical roadway improvements (sidewalk, boulevard grading, pedestrian crossings, etc.) in accordance with industry standards, and City staff would normally be authorized to approve such modifications. However, the Owner has requested a financial obligation be incorporated into this Servicing Agreement, similar to the 2022 Servicing Agreement executed for the adjacent development to the west.

City staff are not delegated signing authority for a Servicing Agreement when a financial contribution is implicated, in accordance with the Delegation of Powers and Duties By-law No. 2014-109. A report is required to inform Council and request approval of the financial impact.

As per OP-22-043 and OP-22-044, three (3) components of work were specified in previous cost-sharing agreements along with descriptions of the properties benefiting from the works. Costs for this work were/are to be collected from each at the time of their respective development (i.e. Site Plan), shown on the attachment to this report and conceptually summarized below*:

**It is noted that the previously executed agreement/reports should be consulted for the exact details, fees and reimbursement terms (i.e. any indexing).*

- a. 20th Avenue East Road construction from 16th Street East to 17th Street East:
 - o Ultimate cost apportionment was one-quarter (¼) to each party:

- One-quarter ($\frac{1}{4}$) of the total fees to 1660 16th Street East; PIN No. 370610117 – previously collected.
 - One-quarter ($\frac{1}{4}$) of the total fees to 2010 16th Street East; PIN No. 370610112 – previously collected.
 - One-quarter ($\frac{1}{4}$) of the total fees to 1990 17th Street East; PIN No. 370610114 – outstanding.
 - One-quarter ($\frac{1}{4}$) of the total fees to PIN No. 370610115 – outstanding.
- There are no changes requested to this previously approved cost sharing methodology.
- b. Intersection improvements at 16th Street East/20th Avenue East in approximately 2012 to facilitate a southbound leg and associated traffic signals:
 - Ultimate cost apportionment was revised in 2022 Servicing Agreement to include:
 - One-third ($\frac{1}{3}$) of the total fees to 2125 16th Street East; PIN No. 370610268 – previously collected.
 - **One-third ($\frac{1}{3}$) of the total fees** to 2010 16th Street East; PIN No. 370610112 – previously collected.
 - One-sixth ($\frac{1}{6}$) of the total fees to 1660 16th Street East; PIN No. 370610117 – previously collected.
 - **One-twelfth ($\frac{1}{12}$) of the total fees** to 1990 17th Street East; PIN No. 370610114 – outstanding.
 - **One-twelfth ($\frac{1}{12}$) of the total fees** to PIN No. 370610115 – outstanding.
 - The cost sharing methodology for the U-Haul lands (2010 16th Street East) is requested to be revised as a part of this Servicing Agreement (**bolded text above**).
- c. Intersection improvements at 16th Street East/20th Avenue East in approximately 2022 to facilitate a northbound leg and associated traffic signals:
 - Ultimate cost apportionment was $\frac{1}{2}$ to each party:
 - One half ($\frac{1}{2}$) of the total fees to 1660 16th Street East; PIN No. 370610117 – previously collected.
 - One half ($\frac{1}{2}$) of the total fees to 2010 16th Street East; PIN No. 370610112 – previously collected.

- There are no changes requested to this previously approved cost sharing methodology.

Regarding item 'b' above, the intersection improvements from approximately 2012 at 16th Street East/20th Avenue East, the following is requested by the Owner:

- Of the fees attributed to the U-Haul lands (2010 16th Street East), the Owner has requested a similar arrangement made for the Thompson Centres lands (1660 16th Street East), in which a portion of the fees be reallocated equally to the lands north of 17th Street East.
- This would ultimately have the U-Haul lands responsible for one-sixth (1/6) of the total fees, with both lands north of 17th Street East each paying one-twelfth (1/12) of the total fees.
- The revised fees for the original 2012 intersection improvements would include the following arrangement:
 - 1/3 of the total fees to 2125 16th Street East; PIN No. 370610268 – previously collected.
 - **One-sixth (1/6) [revised from one-third (1/3)] of the total fees** to 2010 16th Street East; PIN No. 370610112 – previously collected, one-twelfth (1/12) to be reimbursed.
 - One-sixth (1/6) of the total fees to 1660 16th Street East; PIN No. 370610117 – previously collected.
 - **One-sixth (1/6) [revised from one-twelfth (1/12)] of the total fees** to 1990 17th Street East; PIN No. 370610114 – outstanding.
 - **One-sixth (1/6) [revised from one-twelfth (1/12)] of the total fees** to PIN No. 370610115 – outstanding.

The proposed Servicing Agreement details the cost reimbursement proposed for U-Haul. The re-attributed fees that U-Haul has requested include \$37,166.09 to be collected from each of the two (2) properties on the north side of 17th Street East (PIN No. 370610114 and 370610115), for a total of \$74,332.18, to recognize a benefit of the previously constructed infrastructure to these lands. The fees are expected to be collected by the City via 'best efforts' at the time of the parcels' development and conveyed to U-Haul.

Resource Alignment:

Financial Resources

The requested cost-sharing methodology has no net cost to the City, as the roadway and intersection improvements are to be funded by the benefiting private property owners. There is a precedent for this type of arrangement; the first developer front-ends the cost of the infrastructure, and benefiting developers repay the initial developer at the time of successive development (i.e. when they access/use the infrastructure).

However, U-Haul is requesting a set time limit ("sunset clause") by which, if development does not occur on the benefitting lands, U-Haul's costs would be reimbursed by the City. Similar logic regarding reimbursement was used in the 2022 Servicing Agreement for the Thompson Centres development.

As such, a 5-year time horizon has been recommended in the U-Haul Servicing Agreement to align payment windows with the 2022 Servicing Agreement for the lands to the west.

If no development of the benefiting lands occurs before 2032, the City will provide payment to U-Haul on or after May 1, 2032, in the amount of \$74,332.18 (indexed as per the proposed agreement) from reserves. The City would endeavour to recover this cost from the identified lands at the time of respective developments, as per the Servicing Agreement.

Human Resources

There is a component of administrative tracking required by City Staff to ensure that fees are monitored and collected during development, and the resources to process the request (payments, memoranda, correspondence, etc.).

Past practice has involved internal resources from the Engineering Division, Planning and Heritage Division, and Finance Division to execute these requests. Legal support has been provided in preparation of the proposed Servicing Agreement.

Time and Scheduling

N/A.

Technology and Infrastructure

N/A.

Climate and Environmental Impacts:

There are no anticipated climate or environmental impacts.

Communication and Engagement:

This report has been posted to the City's website with the agenda in advance of the meeting.

Report Developed in Consultation With:

Manager of Planning and Heritage

Director of Corporate Services

Attachments:

Illustration of Works Area and Adjacent Lands

Reviewed by:

Mason Bellamy Manager of Public Works and Engineering

Lara Widdifield, Director of Public Works and Engineering

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Matthew Pierog, Engineering Technologist at mpierog@owensound.ca or 519-376-4440 ext. 3308.