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**DEVELOPMENT CHARGE CREDIT REQUEST
BLOCK 12 PROPERTIES INC.
DUFFERIN STREET (EAST SIDE - MAJOR MACKENZIE DRIVE
TO SIR BENSON DRIVE)
CITY OF VAUGHAN**

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report dated December 3, 2010, from the Commissioner of Finance.

1. RECOMMENDATIONS

It is recommended that:

1. Council authorize a development charge (“DC”) credit in the amount of \$382,446 (91.9%) for the growth-related component (development charges) and a recovery of \$33,627 (8.1%) for the combined non-growth component (tax levy) of the proposed road works improvement undertaken by Block 12 Properties Inc. in the City of Vaughan, subject to completion of the works to the satisfaction of the Commissioner of Transportation Services, and
2. The Regional Solicitor be authorized to include the development charge credit provisions in the subdivision agreement regarding the above-noted subdivision with credits to be funded from future Regional road DC Credits otherwise payable at the time of subdivision registration.

2. PURPOSE

The purpose of this report is to authorize a development charge credit for road works performed by Block 12 Properties Inc. for the road work improvements at Dufferin Street Drive (East side – Major Mackenzie Drive to Sir Benson Drive) in the City of Vaughan in advance of the construction timing projected in the Regional Roads Capital Program.

3. BACKGROUND

At its May 9th and May 23rd, 1996 meetings, Regional Council approved a detailed DC credit policy for capital works undertaken by the developer in advance of the planned reconstruction program (subsequently amended June 18, 2007 as part of the passing of Regional DC By-law No. DC-0007-2007-040).

Block 12 Properties Inc. has forwarded a request to the Regional Transportation Services Department for the consideration of DC credits for the road work improvements at Dufferin Street Drive (East side – Major Mackenzie Drive to Sir Benson Drive) in the City of Vaughan (*Attachment 1*).

4. ANALYSIS AND OPTIONS

Block 12 Properties Inc. has requested a DC Credit of \$473,467

Block 12 Properties Inc. has developed residential subdivisions in the City of Vaughan. In order to proceed with the development of the lands, the developer group was required to undertake road work improvements at Dufferin Street Drive (East side – Major Mackenzie Drive to Sir Benson Drive) in the City of Vaughan in accordance with the planned reconstruction program at an estimated cost of \$473,467. These road works improvement have been incorporated in the Region's 10 Year Capital Program for the year 2017.

Discussions as to the development charge credit amount were carried out between the applicant and Regional staff. The applicant has agreed to the amount and now is in a position to proceed with the DC credit process.

5. FINANCIAL IMPLICATIONS

Subdivision lands benefiting from road work improvements totals 2,750 residential units

The subject subdivisions (as detailed in Table 1) benefiting from the road work improvements is comprised of a total of 2,750 residential units of which 2,050 units are low rise and 700 units are high-rise. Buildout of these phases of the subdivision would result in regional development charges of approximately \$46 million, of which \$16 million pertains to the roads component of the charge.

The Regional Transportation Services Department has reviewed the request submitted by Block 12 Properties Inc. in accordance with the approved DC credit policy, and has determined that \$424,940 of the total value of the road works is eligible for consideration through the DC credit process (*Attachment 2*).

Proposed total DC Credit of \$382,446 be permitted

Block 12 Properties Inc. is the trustee for the landowners within the subject lands. The current participating landowners in Block 12 include:

Table 1
Block 12 Participating Landowners

Landowner	Subdivision Number
Andrige Homes et.al.	Plan 19T-99V08
Fernbrook Homes (McNair Creek) Limited	Plan 19T-03V17
E. Manson Investment Limited, and Zureit Holdings Limited	Plan 19T-00V02
Midvale Estates Inc.	Plan 19T-03V16
Major Bob Farms Inc.	Plan 19T-89124
Royal Garden Homes Ltd.	Plan 19T-03V12
2056668 Ontario Inc.	Plan 19T-03V22
Country Wide (Thornhill Estates) Inc.	Plan 19T-03V23

As the works were completed by Block 12 Properties Inc., the trustee for the developer group has requested that the Region provide credits to the first individual landowner who registers his/her subdivision. The individual landowner receiving the DC credit from the Region would then reimburse the Block 12 Properties Inc. Trustee for the full amount credited by the Region.

These road works are currently included in the Region's 10 year Capital Program in the year 2017. In accordance with the DC credit policy, in order to advance the road works improvement from the planned construction timing, the developer will be responsible for a share of the non-growth component of the works. This provides for a discounting of the non-growth component of the works due to the construction of the road works improvement in advance of the timing proposed in the Region's 10 year capital program. *Attachment 3* outlines the non-growth discounting methodology associated with this request.

It is proposed that a DC Credit be permitted for the growth-related component of the works in the amount of \$382,446 (91.9%) and \$33,627 (8.1%) for the non-growth component. The developer has been contacted and is in agreement with the credit amount.

The growth-related component (development charges) of the DC credit is to be funded from future Regional roads DC credits otherwise payable at the time of subdivision registration, subject to completion of the road works improvement to the satisfaction of the Commissioner of Transportation Services. It is recommended that the Regional Solicitor be authorized to include the DC Credit (growth component) in the subdivision agreements detailed in Table 1 for the road work improvements at Dufferin Street (East side – Major Mackenzie Drive to Sir Benson Drive) in the City of Vaughan.

The non-growth component (tax levy) of the works is provided for in the 2011 Roads Capital Budget. The developer is entitled to recover the non-growth component of \$33,627 for the works. The combined year to date (for 2011) cumulative impact of the

non-growth component of DC Credits proposed and/or approved by Finance and Administration Committee and Council is \$33,627.

6. LOCAL MUNICIPAL IMPACT

The proposed road work improvements will benefit the City of Vaughan in terms of improving traffic flow along the roadway of Dufferin Street (from Major Mackenzie to Sir Benson Drive). These improvements also facilitate the buildout of the subdivisions in the City of Vaughan.

7. CONCLUSION

The DC credit request submitted by Block 12 Properties Inc. has been reviewed in accordance with the approved DC credit policy. It is proposed that subject to completion of the works to the satisfaction of the Commissioner of Transportation Services, the developer be eligible for a roads DC credit of \$382,446 (91.9%) for the growth component and the non-growth cost recovery of \$33,627 (8.1%) from tax levy.

For more information on this report, please contact Kelly Strueby, Director of Business Planning and Budgets at ext. 1611 or Beth Kodama, Manager of Capital and Development Financing at ext. 1699.

The Senior Management Group has reviewed this report.

(The three attachments referred to in this clause are attached to this report.)

Date: April 20, 2010
Our File: 2003-2644



SCHAEFFERS
CONSULTING ENGINEERS

REGIONAL MUNICIPALITY OF YORK
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Attention: Mr. Robert Spencer

RE: Application for Development Charge Credit
Dufferin Street East Side Only
(from 230 m north of Sir Benson Dr. to 125 m south of Eagles Landing Rd.)
City of Vaughan, Regional Municipality of York

On behalf of our client, Block 12 Properties Inc., we are pleased to forward the following documentation requesting consideration for Development Charge Credit for works completed on east side of Dufferin Street for the abovementioned project:

1. Three (3) color copies of the new construction drawings (Stage 1 & Stage 2)
2. Three (3) color copies of the quantity and cost summary (Stage 1 & Stage 2)
3. Three (3) color copies of the earthwork quantity calculations (Stage 1 & Stage 2)

As you know, improvements on east side of Dufferin Street were completed in 2007 and later additional improvements such as north bound right turn lane at Sir Benson Drive and bicycle lane were requested by the Region. This application includes previous works done and the additional works proposed. Refer to our email dated Jan. 29, 2010 (Copy attached) for relocation of some curbs, which were built in 2007.

If you have any questions or comments regarding these matters, please do not hesitate to contact the undersigned.

Yours truly,
SCHAEFFER & ASSOCIATES LTD.

A handwritten signature in cursive script, likely belonging to Hacik Tozeu.

Hacik Tozeu, P.Eng.
Director/Partner

Cc: Mr. Gaetano Franco - Block 12 Properties Inc.

Scaeffers Consulting Engineers
Road widening of Dufferin Street (East side - Major Mackenzie Drive to Sir Benson Drive)
City of Vaughan

	Total Cost	Regional Cost (DC Credit)	Developer Cost
a) Total estimated cost of works	\$473,467		
b) Amount of works not in ultimate Regional location	(\$48,527)		\$48,527
c) Amount eligible for Development Charge Credit (per Development Charge Credit Policy)	\$424,940		
- development charge component 90.00%	\$382,446	\$382,446	
d) Non-growth summary			
- non-growth component 10.00%	\$42,494		
Developer share of non-growth costs			
- present value of works constructed (works included in 10 year capital forecast)	\$8,867		\$8,867
Regional share of non-growth costs	\$33,627	\$33,627	
Total Share of Capital Costs		\$416,073	\$57,394

Developer Recovery Summary:

Total growth-related credit -	\$382,446
Total non-growth reimbursement -	\$33,627
	<u>\$416,073</u>

Summary:

Total Estimated Cost of Works	\$473,467
Regional Share (DC Credit)	\$416,073
Developer Share	\$57,394

DEVELOPMENT CHARGE CREDIT

Non Growth Discounting Methodology
Road widening of Dufferin Street (East side - Major Mackenzie Drive to Sir Benson Drive)

Assumptions:

Growth Component of capital works: 90.00%
Non Growth Component of capital works: 10.00%
Interest Rate¹ : 3.40%
Eligible works for DC credit: \$424,940.12

Planned Construction Year	# Years to advance	Total Eligible for credit (A)	Discounted Non Growth Share ² (B)	Payable to Developer (A-B)	Payment to Developer			
					Growth Component (DC)	% of payment	Non-Growth Component(Tax Levy)	% of payment
2010	0	\$424,940	\$0	\$424,940	\$382,446	90.0%	\$42,494	10.0%
2011	1	\$424,940	\$1,397	\$423,543	\$382,446	90.3%	\$41,097	9.7%
2012	2	\$424,940	\$2,749	\$422,191	\$382,446	90.6%	\$39,745	9.4%
2013	3	\$424,940	\$4,055	\$420,885	\$382,446	90.9%	\$38,439	9.1%
2014	4	\$424,940	\$5,319	\$419,621	\$382,446	91.1%	\$37,175	8.9%
2015	5	\$424,940	\$6,542	\$418,398	\$382,446	91.4%	\$35,952	8.6%
2016	6	\$424,940	\$7,724	\$417,216	\$382,446	91.7%	\$34,770	8.3%
2017	7	\$424,940	\$8,867	\$416,073	\$382,446	91.9%	\$33,627	8.1%
2018	8	\$424,940	\$9,973	\$414,967	\$382,446	92.2%	\$32,521	7.8%
2019	9	\$424,940	\$11,042	\$413,898	\$382,446	92.4%	\$31,452	7.6%
2020	10	\$424,940	\$12,077	\$412,863	\$382,446	92.6%	\$30,417	7.4%
beyond 2020	>10	\$424,940	\$42,494	\$382,446	\$382,446	100.0%	\$0	0.0%

Notes:

- Represents a 5.4% interest rate less a 2% rate adjusted for inflation as per the Development charge credit policy.
- Due to advancing of works in the 10 year capital plan, the non growth component has been discounted, and is the responsibility of the developer.