

8

WOODBINE AVENUE BY-PASS PHASES 2B AND 3 PREPAID DEVELOPMENT CHARGE CREDIT AGREEMENT TOWN OF MARKHAM

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, November 22, 2007, from the Commissioner of Finance, the General Manager, Roads, and the Commissioner of Planning and Development Services:

1. RECOMMENDATIONS

It is recommended that:

1. Regional staff be authorized to negotiate the terms of a prepaid development charge credit agreement with the Town of Markham and the 404 North Developer Group for the accelerated construction of the Woodbine Avenue By-pass Phase 2b and Phase 3, in accordance with the revised principles outlined in this report.
2. Regional staff be authorized to proceed with negotiating terms with the Town of Markham for detailed design, property acquisition, contract administration, approval, tender, construction and maintenance of the Woodbine Avenue By-pass (Phase 2b and Phase 3) by the Town of Markham, which includes the terms with the Town of Markham outlined in this report.
3. The Regional Chair and Clerk be authorized to execute the agreement subject to the Town of Markham confirming receipt of funding from the 404 North Developer Group as outlined in this report.

2. PURPOSE

The purpose of this report is to obtain Council's authorization to permit Regional staff to negotiate a prepaid development charge credit agreement with the 404 North Developer Group and the Town of Markham for the advanced construction of the Woodbine Avenue By-pass Phase 2b and Phase 3 as illustrated in Attachment 1.

3. BACKGROUND

The North 404 Secondary Plan – OPA 149 covers an approximate area of 181 ha (447 acres), from north of Elgin Mills Road to the northern Town of Markham municipal boundary excluding lands within the Oak Ridges Moraine and from Highway 404 east to

Woodbine Avenue. Approximately 13 ha (31 acres) of the total area are identified as residential area and approximately 123 ha (303 acres) as employment lands.

On June 26, 2003, Regional Council adopted recommendations contained in Clause No. 10, Report No. 6 of the Transportation and Works Committee including the following: “The preferred solution to widen Woodbine Avenue (Y.R. 8) from Major Mackenzie Drive to (Y.R. 25) to 19th Avenue (Y.R. 29) to a four-lane cross section, and detailed By-pass alignment around the Hamlet of Victoria Square and the new residential portion of the Cathedral Secondary Plan, as determined through the Transportation and Class Environmental Assessment study” be endorsed.

On June 26, 2007 the Town of Markham reported to their Council on the proposed Town’s involvement in the Woodbine Avenue By-pass construction. In order to proceed with the buildout of its subdivision within the 404 North Community, the Developer Group has expressed interest in advancing the construction timing of the Woodbine Avenue By-pass road project to coincide with development of their subdivisions.

4. ANALYSIS AND OPTIONS

4.1 Planning Considerations

The completion of the Woodbine By-pass provides for a key transportation component through both the Cathedral Secondary Plan area and the Highway 404 North Secondary Plan (OPA 149) area. The completion of the by-pass provides for both the linkage of these two development areas and the diversion of traffic around the historical hamlet of Victoria Square.

The Highway 404 North Secondary Plan is primarily made up of employment lands. The provision of the completed by-pass provides the opportunity to open up these employment lands for development in the short term. The supply of employment lands Region wide is about 11 years excluding encumbered lands and lands on private services and it is recognized that there are long term supply issues. Markham currently has less than 250 ha of employment land available for development. The availability of new employment lands in key corridors, such as lands with Highway 404 exposure, becomes especially important in this context. It is anticipated that the OPA 149 lands could accommodate approximately 9,090 jobs based on an average of 30 jobs per acre.

The proposed employment uses are located in close proximity to the residential areas of the Cathedral Community and the hamlet of Victoria Square. This improves the possibilities for working and living in close proximity. The third phase of the by-pass serves as the immediate linkage of the residential and employment areas.

4.2 Servicing Considerations

The area is within the Pressure District 7 (PD 7) of the York Water System and can be serviced by connecting to the existing York Region PD7 watermain on Elgin Mills Road. Sanitary sewage servicing will be made available by connecting to the YDSS.

Development of the area will be subject to capacity allocation by the Town, which in turn will be subject to the limit of capacity being assigned to the Town by the Region.

4.3 Transportation Considerations

In order to complete the Woodbine Avenue By-pass as recommended in the Transportation Master Plan and the approved Class EA, Phases 2b and 3 are required. With the completion of these last two phases, the Woodbine Avenue By-pass will serve to divert traffic around the hamlet of Victoria Square. The Woodbine Avenue By-pass is required for the buildout of the lands within the North 404 area and the Cathedral community.

The Town of Markham will manage delivery of the project on behalf of the Region, co-ordinating construction of the By-pass with the adjacent development and with local municipal roads, water and wastewater works required to facilitate buildout of the area, similar to Phases 1 and 2a in the Cathedral community.

4.4 Funding for the Construction of the By-pass

In accordance with the Regional Development Charge Credit Policy, road works that are advanced from the time the Region has scheduled its construction must be funded 100% by the Developer Group. Recovery of the funding provided is based on the growth and non-growth components of the works advanced. Typically for road works, the growth component is 76.5% and the non-growth is 23.5%. The eligibility and the timing of the recovery is based on subdivision registration and construction of the road works to the satisfaction of the General Manager, Transportation and Works - Roads.

Since the works are in the 10 Year Capital Plan, the Developer Group will be eligible to recover the growth component of the cost of works through buildout of their lands, i.e. building permit issuance or subdivision registration. However, a portion of the non-growth component will not be eligible for recovery because the North 404 Developer Group is advancing the works by 4 years from 2012 to 2008, in the 10 Year Capital Plan.

5. FINANCIAL IMPLICATIONS

The North 404 Developer Group has proposed to provide financing to advance the construction timing of Phase 2b and Phase 3 of the Woodbine Avenue By-pass. The developer group has reviewed the financial principles and is in agreement with them.

Subject to receipt of all necessary planning approvals, Attachment 2 details the principles of the prepaid development charge credit agreement between the Town of Markham, 404 North Developer Group and the Regional Municipality of York required to advance the Woodbine Avenue By-pass.

6. LOCAL MUNICIPAL IMPACT

The advancement of the Woodbine Avenue By-pass road project is in accordance with the Town of Markham's request and Council resolution and will result in the advanced buildout of the plans of subdivision within the North 404 Secondary Plan. The Town of Markham will manage the detailed design, property acquisition, approvals, tender, award, contract administration, construction and maintenance of Phases 2b and Phase 3. It will be the responsibility of the Town of Markham to allocate water and sewage capacity to North 404 Community developments.

The Town of Markham has reviewed the principles of the prepaid development charge credit agreement as outlined in this report and indicated that they are in agreement with them.

7. CONCLUSION

The Woodbine Avenue By-pass has been identified to resolve traffic issues in the vicinity of the Hamlet of Victoria Square. It is proposed that the Town of Markham manage the construction and own and maintain the partially completed By-pass until the entire By-pass has been completed. In order to advance the construction of the Woodbine Avenue By-pass road project Phase 2b and Phase 3 to permit the buildout of the subdivisions in the North 404 Secondary Plan Area, the developer group within the area has expressed an interest in entering into a prepaid development charge credit agreement. This report outlines the principles of the agreement, subject to Council authorization.

The Developer Group will be responsible for providing prepaid development charges and or securities for the total cost of the Woodbine Avenue By-pass Phases 2b and 3, estimated to be \$6 million.

The Senior Management Group has reviewed this report.