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DEVELOPMENT CHARGE CREDIT REQUEST
ANGUS GLEN COMMERCIAL
SOUTHWEST CORNER MAJOR MACKENZIE AND
KENNEDY ROAD
TOWN OF MARKHAM

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report dated February 23, 2011, from the Commissioner of Finance.

1. RECOMMENDATIONS

It is recommended that:

1. Council authorize a development charge (“DC”) credit in the amount of \$117,245 (90%) for the growth-related component (development charges) and a recovery of \$13,027 (10%) for the non-growth component (tax levy) of the proposed road improvement works undertaken by Angus Glen Commercial in the Town of Markham, subject to completion of the works to the satisfaction of the Commissioner of Transportation Services.
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 DC credit for road improvement works performed by Angus Glen Commercial at the southwest corner of Major Mackenzie and Kennedy Road in the Town of Markham 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).

Angus Glen Commercial has forwarded a request to the Regional Transportation Services Department for the consideration of DC credits for the road improvement works at the southwest corner of Major Mackenzie Drive and Kennedy Road in the Town of Markham (*Attachment 1*).

4. ANALYSIS AND OPTIONS

Angus Glen Commercial has requested a DC Credit of \$133,350

Angus Glen Commercial has developed non-residential subdivision in the Town of Markham. In order to proceed with the development of the lands, the developer was required to undertake road improvement works at the southwest corner of Major Mackenzie Drive to Kennedy Road in the Town of Markham in advance of the planned reconstruction program at an estimated cost of \$133,350.

5. FINANCIAL IMPLICATIONS

Subdivision lands benefiting from road improvement works totals 1.3 hectares of non-residential land

The subject non-residential subdivision benefiting from the road improvement works is comprised of a total of 1.3 hectares of land, of which approximately 3,900 square metres is developable gross floor area. Buildout of these lands would result in regional development charges of approximately \$780,000, of which \$365,000 pertains to the roads component of the charge.

The Regional Transportation Services Department has reviewed the request submitted by Angus Glen Commercial in accordance with the approved DC credit policy, and has determined that \$130,272 of the total value of the road works is eligible for consideration through the DC credit process (*Attachment 2*).

Proposed total DC Credit of \$130,272 be permitted

In accordance with the DC credit policy, in order to advance the road improvement works 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 when construction of the works is advanced prior to the timing proposed in the Region's 10 year capital program. As these road works were built to the ultimate location, Angus Glen Commercial is entitled to recover \$13,027 of the non-growth component of the works.

It is proposed that a DC Credit be permitted for the growth-related component of the works in the amount of \$117,245 (90%) and \$13,027 (10%) 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 improvement works 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 agreement/building permit issuance for the road improvement works at the southwest corner of Major Mackenzie Drive and Kennedy Road in the Town of Markham.

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 \$13,027 for the works. The combined year to date cumulative impact of the non-growth component of DC Credits proposed and/or approved by Finance and Administration Committee and Council is \$46,654.

6. LOCAL MUNICIPAL IMPACT

The proposed road improvement works will benefit the Town of Markham in terms of improving traffic flow along the roadway of Major Mackenzie and Kennedy Road. These road improvements also facilitate the buildout of the subdivisions in the Town of Markham.

7. CONCLUSION

The DC credit request submitted by Angus Glen Commercial has been reviewed in accordance with the approved DC credit policy. It is proposed that subject to completion of the road improvement works to the satisfaction of the Commissioner of Transportation Services, the developer be eligible for a roads DC credit of \$117,245 (90%) for the growth component and the non-growth cost recovery of \$13,027 (10%) 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 two attachments referred to in this clause are attached to this report.)



Stantec

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Council Attachment 1

April 14, 2010
File: 606 77555

Mr. Faris Georgis
Manager, Development Approvals
Regional Municipality of York
Roads Branch, Transportation Services
90 Bales Drive
Sharon, ON L0G 1V0

Dear Sir:

**Reference: Application for Development Charge Credit
 Angus Glen Retail Village
 Major Mackenzie Drive/Kennedy Road
 Town of Markham File No. SC-07-120999
 Region File No. D09-SP-M-031-07**

On behalf of our client Angus Glen Developments we are pleased to forward the following documentation requesting consideration for development charge credit for works completed on Major Mackenzie Drive and Kennedy Road for the above referenced project.

- One (1) copy of Drawings SW2 (Grading Drawing) and SW2A showing cross sections for quantity calculations. We also include Drawing SW3 (Servicing drawing) for reference.
- One (1) copy of calculations for cut and fill quantities
- One (1) copy of Figure 1 showing topsoil stripping area and restoration area
- One (1) copy of quantity and cost summary indicating items eligible for DC credit using the Region's 2009 Development Chart Credit Average Unit Costs Chart
- Letter from York Region dated January 18, 2010 (potential development charge credit)
- Letter from Powerstream summarizing the utility pole relocation costs.
- Tender price for steel beam guardrail salvage and return. (Part E – Access Roadways, Item 21)

The following items were not priced as per the Region's 2009 unit cost chart for the reasons listed below.

Special Consideration

- 1.09 Hydro Pole Replacement. We included the cost quotation from Powerstream to replace the three (3) line poles on the Major Mackenzie sections, as per the letter of January 18, 2010 (copy attached). The Region advises 50% of the material and labour would be considered for credit.

April 14, 2010
Page 2 of 2

Reference: Application for Development Charge Credit
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Major Mackenzie Drive/Kennedy Road
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- 1.07 Remove steel beam guardrail. We note a request from your approval's section to salvage and return the existing steel guardrail to the Region's Highway 404 and Major Mackenzie Drive yard. Our contractor has submitted a tender cost of \$115 per meter for an estimated price of \$9,200.00 to return the 80 metre section. As the 2009 DC credit rate of removal is \$13.21 and does not appear to include salvage and return of the material, we request a DC credit amount of \$9,200.00 be considered.

If you have any questions or comments regarding these matters please do not hesitate to contact our office.

Sincerely,

STANTEC CONSULTING LTD.



Mike Lafete, C.E.T.
Field Services Project Manager
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Attachment:

c. Mr. Frank Spaziani, Angus Glen Developments Ltd.

Stantec Consulting Ltd.
Southwest corner Major Mackenzie Drive and Kennedy Road
Town of Markham

	Total Cost	Regional Cost (DC Credit)	Developer Cost
a) Total estimated cost of works	\$133,350		
b) Amount of works not in ultimate Regional location	<u>(\$3,078)</u>		\$3,078
c) Amount eligible for Development Charge Credit (per Development Charge Credit Policy)	\$130,272		
- development charge component 90.00%	\$117,245	\$117,245	
d) Non-growth summary			
- non-growth component 10.00%	\$13,027		
<u>Developer share of non-growth costs</u>			
- present value of works constructed <i>(works included in 10 year capital forecast)</i>	\$0		\$0
<u>Regional share of non-growth costs</u>	\$13,027	\$13,027	
Total Share of Capital Costs		\$130,272	\$3,078

Developer Recovery Summary:

Total growth-related credit -	\$117,245
Total non-growth reimbursement -	<u>\$13,027</u>
	<u><u>\$130,272</u></u>

Summary:

Total Estimated Cost of Works	\$133,350
Regional Share (DC Credit)	\$130,272
Developer Share	\$3,078