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DEVELOPMENT CHARGE CREDIT REQUEST PRESERVE HOMES CORPORATION WELLINGTON STREET AT CONOVER AVENUE AND WELLINGTON STREET EAST AT MAVRINAC BOULEVARD TOWN OF AURORA

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report from the Commissioner of Finance.

1. RECOMMENDATIONS

It is recommended that:

1. Council authorize a development charge (“DC”) credit in the amount of \$268,314 (88%) for the growth-related component (development charge) and a payment of \$36,589 (12%) for the non-growth component (tax levy) of the proposed intersection works undertaken by Preserve Homes Corporation in the Town of Aurora, subject to completion of the works to the satisfaction of the Commissioner of Transportation Services, and
2. The Regional Treasurer be authorized to fund the growth component of the development charge credit regarding the noted works totalling \$268,314 from Regional road DC’s collected to date from the development at subdivision registration.

2. PURPOSE

The purpose of this report is to authorize a development charge credit for intersection improvement works performed by Preserve Homes Corporation for the road intersections of Wellington Street East at Conover Avenue and Wellington Street East at Mavrinac Boulevard in the Town of Aurora in advance of the construction timing projected in the Regional Roads Capital Program. This report also seeks authorization to fund credits approved by Council from road development charges collected from the developer prior to approval of the road DC credits.

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 23, 2003 as part of the passing of Regional DC By-law No. DC-0005-2003-050).

Preserve Homes Corporation has forwarded a request to the Regional Transportation Services Department for the consideration of DC credits for the intersection works at Wellington Street East at Conover Avenue and Wellington Street East at Mavrinac Boulevard in the Town of Aurora (Attachment 1).

4. ANALYSIS AND OPTIONS

Preserve Homes Corporation has requested a DC credit of \$390,462

Preserve Homes Corporation has developed a residential subdivision in the Town of Aurora. In order to proceed with the development of the lands, the developer group was required to undertake road intersection improvements at Wellington Street East at Conover Avenue and Wellington Street East at Mavrinac Boulevard in the Town of Aurora in accordance with the planned reconstruction program at an estimated cost of \$390,462. These road improvements have not been incorporated in the Region's Ten Year Capital Program. However, these works were carried out in accordance with the Transportation Master Plan and were built to the ultimate location.

Discussions as to the development charge credit amount were carried out between the applicant and Regional staff, and the applicant has agreed to the amount.

5. FINANCIAL IMPLICATIONS

Subdivision lands benefiting from road intersection improvements totals 628 residential units

The subject subdivision benefiting from the intersection improvements comprised of a total of 628 residential units of which all have been built. Buildout of this subdivision has resulted in Regional development charges of approximately \$8.9 million of which \$2.9 million pertained to the roads component of the charge.

The Region's Transportation Services Department has reviewed the request submitted by Preserve Homes Corporation in accordance with the approved DC credit policy and staff has determined that \$304,903 of the total value of the road works is eligible for consideration through the DC credit process (Attachment 2).

Proposed total DC Credit of \$304,903 be permitted

It is proposed that a payment of \$304,903 be permitted to Preserve Homes Corporation. The payment is comprised of \$268,314 (88%) for the growth component of the works

and \$36,589 (12%) for the non-growth component. As the subdivision has been built out, and the road DC's for these subdivisions have been paid in full, it is recommended that the growth-related component be funded from Regional road DC's collected from the developer prior to approval of the road DC credits.

In accordance with the DC credit policy, in order to advance the road works from 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 works in advance of the timing proposed in the Region's 10 year capital program. As these intersection improvements were not included in the Region's 10 Year Capital Program and were built to the ultimate location, Preserve Homes Corporation is entitled to recover \$36,589 of the non-growth component of the works.

It is proposed that a reimbursement for the growth-related component of the works in the amount of \$268,314 (88%) and \$36,589 (12%) for the non-growth component be permitted. The developer has been contacted and is in agreement with the credit amount.

The non-growth component (tax levy) of the works is provided for in the 2010 Roads Capital Budget. 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 \$36,589.

6. LOCAL MUNICIPAL IMPACT

The proposed road improvements will benefit the Town of Aurora in terms of improving traffic flow along the roadway of Wellington Street East at Conover Avenue and at Mavrinac Boulevard. These improvements also facilitate the buildout of the subdivision in the Town of Aurora.

7. CONCLUSION

The DC credit request submitted by Preserve Homes Corporation has been reviewed in accordance with the approved DC credit policy. It is proposed that subject to satisfactory completion of the intersection improvements of Wellington Street East at Conover Avenue and Wellington Street East at Mavrinac Boulevard, the developer be eligible for a growth recovery of the roads DC credit of \$268,314 (88%) to be funded from the Regional roads DC previously collected and a non-growth cost recovery of \$36,589 (12%) from tax levy.

Report No. 4 of the Finance and Administration Committee
Regional Council Meeting of April 22, 2010

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 were included in the agenda for the April 8, 2010 Committee meeting.)



MEMORANDUM

TO: Beth Kodama, Manager, Capital & Development Financing

FROM: Faris Georgis, Manager, Development Approvals

DATE: December 29, 2009

RE: **Preserve Homes Corporation**
Development Charge Credit Application
Region of York File No. D19-02.003.A

The Transportation Services Department has reviewed the information provided for the above application.

As noted on the attached summary sheets, **\$203,484.74** is considered to be eligible for credit at the intersection of Wellington Street East and Conover Avenue versus the requested amount of \$260,006.75.

At the intersection of Wellington Street East and Mavrinac Boulevard **\$101,418.01** is considered to be eligible for credit versus the requested amount of \$130,455.59.

Currently Wellington Street East in this area is not programmed for a widening or improvements therefore, this application is eligible as intersection improvements.

The applicant has requested payment be made to Preserve Homes Corporation, 30 Floral Parkway, Concord, ON L4K 4R1, Attention Alky Poulias.

Please process the credit application or if additional information is required please contact me at extension 5740.

FG/tc/jp

Attachment

Copy to: Trevor Catherwood, Design Technologist Approvals, York Region (E-mail)

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Schaeffers Engineering Ltd.
Wellington Street East at Conover Avenue and Wellington Street East at Mavrinac Boulevard
Town of Aurora

	Total Cost	Regional Cost (DC Credit)	Developer Cost
a) Total estimated cost of works	\$390,462		
b) Amount of works not in ultimate Regional location	(\$85,560)		\$85,560
c) Amount eligible for Development Charge Credit (per Development Charge Credit Policy)	\$304,903		
- development charge component 88.00%	\$268,314	\$268,314	
d) Non-growth summary			
- non-growth component 12.00%	\$36,589		
Developer share of non-growth costs			
- present value of works constructed (works included in 10 year capital forecast)	(\$0)		(\$0)
Regional share of non-growth costs	\$36,589	\$36,589	
Total Share of Capital Costs		\$304,903	\$85,559

Developer Recovery Summary:

Total growth-related credit -	\$268,314
Total non-growth reimbursement -	\$36,589
	<u>\$304,903</u>

Summary:

Total Estimated Cost of Works	\$390,462
Regional Share (DC Credit)	\$304,903
Developer Share	\$85,559