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DEVELOPMENT CHARGE CREDIT REQUEST DUKE OF RICHMOND DEVELOPMENTS INC. – DUKE WEST GAMBLE ROAD RECONSTRUCTION PROJECT TOWN OF RICHMOND HILL

The following report, April 5, 2006, from the Commissioner of Finance, is submitted to Council without a committee recommendation:

1. RECOMMENDATIONS

It is recommended that:

1. Council authorize a development charge (“DC”) credit in the amount of \$217,784 (76.5%) for the growth-related component (development charges) and a recovery of \$66,901 (23.5%) for the non-growth component (tax levy) of proposed road works to be undertaken by Duke of Richmond Developments Inc. in the Town of Richmond Hill, subject to completion of the works to the satisfaction of the Commissioner of Transportation and Works; and,
2. The Regional Solicitor be authorized to include the development charge credit provisions in the subdivision agreement regarding the Duke of Richmond Developments Inc. – Duke West subdivision with credits to be funded from future Regional roads 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 improvements performed by Duke of Richmond Developments Inc. on Gamble Road west of Yonge St. in the Town of Richmond Hill in advance of the completion of the road works carried out by the Region.

3. BACKGROUND

3.1 DC Credit Policy

At its May 9th and May 23rd, 1996 meetings, Regional Council approved a detailed development charge 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 Development Charge By-law No. DC-0005-2003-050).

The developer, Duke of Richmond Developments Inc. has forwarded a request for the consideration of DC credits for roadwork improvements on Gamble Road west of Yonge St. in the Town of Richmond Hill (Attachment 1).

4. ANALYSIS AND OPTIONS

4.1 Development Charge Credit Request

Duke of Richmond Developments Inc. is currently developing a residential subdivision in the Town of Richmond Hill. In order to proceed with the development of the lands, the developer was required to undertake roadwork improvements on Gamble Road west of Yonge St. in the Town of Richmond Hill in advance of the planned reconstruction program at an estimated cost of \$466,059.40.

5. FINANCIAL IMPLICATIONS

The subject subdivision, 19T-99014 is comprised of approximately 1,770 residential units. Buildout of the Duke West subdivision would result in regional development charges payable totalling approximately \$23.7 million of which \$7.3 million pertains to the roads component of the charge.

The Regional Transportation and Works Department has reviewed the request submitted by Duke of Richmond Developments Inc. in accordance with the approved DC credit policy, and has determined that \$284,685 of the total value of the road works is eligible for DC credit (Attachment 2).

It is proposed that a DC credit be permitted for the growth-related component of the works in the amount of \$217,784 (76.5%), and \$66,901 (23.5%) for the non-growth component. 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 works to the satisfaction of the Commissioner of Transportation and Works. The non-growth component (tax levy) of the works is provided for in the 2006 Roads Capital Budget. The developer has been contacted and is in agreement with the credit amount.

The combined year to date (for 2006) cumulative impact on tax levy (non-growth component) of DC Credits proposed and/or approved by Finance and Administration Committee and Council is \$66,901.

It is proposed that the Regional Solicitor be authorized to include the DC credit in the subdivision agreement regarding the Duke West subdivision. The DC credit will be subject to completion of the works to the satisfaction of the Commissioner of

Transportation and Works, and will be funded from future Regional roads DC credits otherwise payable at the time of subdivision registration.

6. LOCAL MUNICIPAL IMPACT

The proposed road works improvements will benefit the Town of Richmond Hill in terms of improving traffic flow along Gamble Road. These improvements also facilitate the buildout of the Duke West subdivision in the Town of Richmond Hill.

7. CONCLUSION

The DC credit request submitted by Duke of Richmond Developments Inc. has been reviewed in accordance with the approved DC credit policy. It is proposed that, subject to satisfactory completion of the works, the developer be eligible for a roads DC credit of \$217,784 (76.5%) and a non-growth cost recovery of \$66,901 (23.5%) from tax levy.

The Senior Management Group has reviewed this report.

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