11
DEVELOPMENT APPLICATIONS RECEIVED PRIOR TO JUNE 18, 2007

(Regional Council at its meeting on September 27, 2007, adopted this report subject to staff reporting back to a private session at the November 1, 2007 meeting rather than the October 4, 1007 meeting of the Finance and Administration Committee.)

The Finance and Administration Committee recommends:

1. **receipt of the communication (August 22, 2007) from Jim Drescher, Vice-President, Development Engineering, and the deputation from Kim Beckman, representative of Tovtel Enterprises (Geranium Corporation);**
2. **receipt of the communications (July 23, 2007 and August 30, 2007) and deputations from Vince Santino, Minto Communities (Toronto) Inc. and Kathy Di Silvestro, Harvest Hills Development Corporation;**
3. **receipt of the communication (August 29, 2007) and deputation from Michael Bigioni, Bigioni LLP, on behalf of 1297482 Ontario Limited, Jeff Zivco Pechenkov, Chris Pechenkovski, Rajaledchumy Kayilasanathan, Thanusha Kayilasanathan and Luigi Mongillo;**
   and
4. **the referral of this clause back to staff for a further report to a private session to be held at the Committee's meeting on October 4, 2007.**

1. RECOMMENDATION

It is recommended that this report be received for information.

2. PURPOSE

The purpose of the report is to advise Council of the development applications received by the Region prior to the recently enacted 2007 Development Charge By-law ("DC By-law").

3. BACKGROUND

On April 27, 2006, Regional Council adopted a report entitled *Refinement to the Region's Final Plan of Subdivision Clearance Process,* as Clause 4 of Report 1, of the Planning and Economic Development Committee. This report outlined the process for gaining Regional Clearance of Subdivision Conditions, of which one condition is payment of the hard services component of the Regional development charges. In order for the Region to accept payment of development charges, applicants were required to submit the following documents:

1. the final and duly executed local subdivision agreement;
2. the fully signed and dated M-Plans including a survey completion date; and
3. confirmation of servicing allocation.

On May 24, 2007, Regional Council enacted a revised DC By-law that increased the hard services component of the development charge rate from the 2005 Amended DC By-law. As of June 18, 2007 the “hard services” portion of the Regional DC for a Single & Semi-detached unit increased from $14,145 to $18,892 or approximately 33.6%. In anticipation of receipt of a high volume of requests to pay Regional DC’s, staff notified the development community by mail on June 8, 2007, posted a notice on the Region’s website and at the Planning and Economic Development Reception area. The notice (see *Attachment No.1*) included the above criteria, timelines and other related information for payment of Regional DC’s.

Due to the high volume of applications anticipated by staff, applicants were advised to submit a complete package, as per the above mentioned requirements, along with a cheque for the applicable DC’s.

4. ANALYSIS AND OPTIONS

Regional staff conducted a review of the clearance package applications received prior to June 18, 2007 to ensure that the packages adhered to Council approved subdivision clearance criteria.

The following sections summarize the status and the outcome of all applications received prior to the new DC By-law coming into effect.

4.1 Applications Received Prior to June 18, 2007

Regional staff received twenty-one final plan submissions prior to the June 18, 2007 increase in DC’s.

Four submissions, located in the Cathedral Secondary Plan area of the Town of Markham, met the criteria. However, a further requirement resulting from the need to construct the Woodbine Avenue/Victoria Square By-pass was imposed on these four submissions. The requirement included confirmation that the design of the By-pass be 60% complete and that the landowners transfer to the Region all lands associated with the By-pass. The applicants had until August 14, 2007 to meet these requirements to be eligible for the pre June 18, 2007 rates. These requirements have now been met.

4.2 Applications That Were Deficient

Out of the twenty-one submissions made, three submissions did not meet at least one of the criteria and were not considered to be eligible to pay DC's at the pre June 18, 2007 rate. Two submissions failed to provide an executed local subdivision agreement and one submission failed to provide a signed and dated final M-plan signed by the owner and surveyor.

A total of 18 applicants have paid at the rate in effect prior to the June 18, 2007 increase.

4.3 Outcome of Deficient Applications

Extensive review and discussions with Regional Planning, Legal and Finance staff were conducted. Upon completion of the reviews and discussions, staff notified all the deficient applicants by telephone and by letter. The notices detailed the reasons why staff determined the application to be deficient and also returned the payment received by the Region back to the applicant. The applicants are now required to pay the prevailing development charge rate prior to the Region providing its clearance letter on the application to the local municipality.

4.4 Several Developments Have Since Paid New DC Rates

The Region has collected approximately $5.1 million in development charges at the new rates from applicants who have registered and pulled building permits post June 18, 2007. Local municipalities, who are responsible for collecting development charges on the Region's behalf, reported collecting approximately $3.8 million in Regional development charges. Additionally, Regional staff has collected hard services component of the development charge for two residential subdivisions comprised of 29 detached and 106 townhouse units totalling $1.3 million.

5. FINANCIAL IMPLICATIONS

Development charges received by the Region from January 2007 to July 31, 2007 total $84.4 million are detailed below in Table 1.

Table 1
Development Charges Received from January to July 31, 2007

DC Payment Period	DC's Received
January to May 2007	$43.5 M
30 Days prior to June Increase	$40.0 M
Prepaid DC's but subsequently ruled "ineligible"	($4.2 M)
DC's paid post June 18 to July 31, 2007	$5.1 M
Net DC's Paid January to July 31, 2007	$84.4 M

Should consideration be given to accept the payment of development charges from those applicants that prepaid at the old rate, it would result in the foregoing of approximately $1.1 million in DC revenue.

6. LOCAL MUNICIPAL IMPACT

Development charges finance a major portion of growth-related capital infrastructure that facilitates buildout of proposed developments and provide required services within the local Municipalities. Any forgoing of Regional development charges would have a negative impact on the funding of these growth-related capital projects and would result in the burden being borne by either the tax levy or water and wastewater user rates.

7. CONCLUSION

On May 24, 2007 Regional Council enacted a revised DC By-law that increased the hard services component of the DC rate substantially from the 2005 Amended DC By-law. The DC By-law came into force on June 18, 2007 and the Region received twenty-one applications, one month prior to the rate increase, for consideration of payment of Regional development charges. Reviews determined that three of the twenty-one applications received were deficient and therefore were not eligible for payment of development charges at rates in effect prior to June 18, 2007.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause was included in the agenda for the September 6, 2007 Committee meeting.)