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DELEGATION OF AUTHORITY TO APPROVE ROADS OR WATER DEVELOPMENT CHARGE CREDIT REQUESTS DURING COUNCIL RECESS

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report dated August 27, 2010, from the Commissioner of Finance.

1. RECOMMENDATIONS

It is recommended that:

1. During the period that regular Council meetings are suspended including the summer recess and any period when the acts of Council are restricted in accordance with the Municipal Act 2001, the Regional Chair, Chief Administrative Officer and Regional Treasurer be authorized to approve roads and water Development Charge (DC) credits.
2. The exercise of this authority be subject to:
 - a) The criteria outlined in Section 4 of this report.
 - b) A report be submitted to Regional Council once sessions resume, detailing the DC credits approved under this authority.
3. The Regional Solicitor be authorized to include development charge credit provisions in the subdivision agreement for which DC Credit requests that have been approved through the delegated approval authority detailed in this report.

2. PURPOSE

This purpose of this report is to authorize the Regional Treasurer to approve and issue DC credits when regular Council meetings are suspended, or when the acts of Council are restricted in accordance with the Municipal Act, 2001.

3. BACKGROUND

DC Credit Policy was established in 1996

Development charge credits are granted to compensate a developer for road works and water works that are constructed by the developer in advance of the Region's programmed timing.

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).

Process for approving and issuing DC credit requests is in place

Developers submit written requests to the appropriate Regional department for consideration of DC credits prior to construction of the works. Discussions are held between the developer and Regional staff to determine the eligible DC credit amount. Typically, discussions are centered around the eligibility of the costs incurred by the developer for specific road works and water works versus the amount the developer has actually spent. In some cases, a further financial adjustment is applied and a final agreed upon amount is determined. In order to implement the DC Credit, Regional staff submits to Regional Council a report requesting authorization and approval of the roads and/or water DC credit.

4. ANALYSIS AND OPTIONS

Delegation of authority during Council recess is standard practice

When regular Council meetings are suspended either during the summer months or during other periods when Council is in recess, Regional staff's ability to act is restricted.

At its June 24th, 2010 meeting, Regional Council approved the delegation of authority to The Regional Chair, the Chief Administrative Officer and the Treasurer for following matters: approval of contracts, authorization of land transactions and leases and the resolution of contract disputes and litigation matters.

In addition to the above delegated authority, Regional staff are seeking Regional Council authority to delegate to the same officials the authority to approve DC credits requests. Typically, these requests for DC credits have been received by staff prior to commencement of construction as the works are required to facilitate their development. The final step of the process is Regional Council's approval of the DC credit request.

Delegated authority would be subject to the following criteria

The Regional DC By-law No. DC-0007-2007-040, as amended, details the DC credit process. In accordance with the DC credit policy, all DC Credit requests have to meet the requirements of the DC credit process. As Council approval of DC Credit requests is one of the final steps required towards the end of the process, Regional staff is requesting Council delegate authority to approve DC Credit requests subject to the criteria set out below:

- 1) The DC Credit request must meet the requirements and follow the process in accordance with the Regional DC By-law No. DC-0007-2007-040;
- 2) The eligible DC credit request must be no greater than \$1,000,000;
- 3) The corresponding reimbursements resulting from the DC credit approval (as outlined in no. 2) must be no greater than \$500,000;
- 4) The non-growth component (tax levy/user rate) portion of the DC credit request will not result in the total annual expenditure on the non-growth component of the DC Credits in excess of what is budgeted in the 10 Year Capital Plan; and
- 5) Where there are unique circumstances which would grant the proponent special consideration, Regional Council approval would be required.

5. FINANCIAL IMPLICATIONS

Regional Council is made aware of the non-growth component (total tax levy/user rate) budget impact of each DC credit request on an individual basis. For miscellaneous intersections, a total tax levy budget is approved on an annual basis and for water works projects, such requests are included in the 10 Capital Plan. There are no further financial impacts as the delegated authority criteria prohibits the approval of any DC credit request that would result in the total annual expenditure exceeding the approved budget for the year. Staff will submit a report to Regional Council detailing all DC credit requests approved during the period of time such authority has been granted to the Regional Treasurer.

6. LOCAL MUNICIPAL IMPACT

The proposed roads and water works for which DC credits are being approved will benefit the local municipality which they are located. They also facilitate the buildout of subdivisions in these municipalities.

7. CONCLUSION

To ensure continuity of service delivery during the period that regular Council meetings are suspended including the summer recess and any period when the acts of Council are restricted in accordance with the Municipal Act 2001, it is requested that authority be delegated to the Regional Treasurer to approve development charge credits. This authority will be subject to the criteria detailed in Section 4 of this report.

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.