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DEVELOPMENT CHARGE CREDIT REQUEST
BLOCK 18 PROPERTIES INC.
MAJOR MACKENZIE DRIVE (WEST OF DUFFERIN) AND
RUTHERFORD ROAD AT PETER RUPERT
CITY OF VAUGHAN

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. Council authorize a development charge ("DC") credit in the amount of $231,497 for the combined growth-related component (development charges) and a recovery of $7,174 for the combined non-growth component (tax levy) of the proposed intersection and road works undertaken by Block 18 Properties Inc. in the City of Vaughan, 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 development charge credit for intersection and road works performed by Block 18 Properties inc. for road improvement works on Major Mackenzie Drive (70 meters west of Dufferin Street to 1,450 metres west of Dufferin Street) and Rutherford Road (from Peter Rupert intersection to 140 metres east) in the City of Vaughan 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).

Block 18 Properties Inc. has forwarded a request to the Region's Transportation Services Department for the consideration of DC credits for intersection and road works on Major Mackenzie Drive (70 meters west of Dufferin Street to 1,450 metres west of Dufferin Street) and Rutherford Road (from Peter Rupert intersection to 140 metres east) in the City of Vaughan *(Attachment 1).*

4. ANALYSIS AND OPTIONS

Block 18 Properties Inc. has requested a combined DC Credit of $521,644.62

Block 18 Properties Inc. has developed residential subdivisions in the City of Vaughan. In order to proceed with the development of the lands, the developer group was required to undertake intersection and road improvement works on Major Mackenzie Drive (70 meters west of Dufferin Street to 1,450 metres west of Dufferin Street) and Rutherford Road (from Peter Rupert intersection to 140 metres east) in the City of Vaughan in accordance with the planned reconstruction program at an estimated cost of $521,345. These road improvements have been incorporated in the Region's 10 Year Capital Program.

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

5. FINANCIAL IMPLICATIONS

Subdivision lands benefiting from intersection and road improvements totals 3,007 residential units

The subject residential subdivision benefiting from the intersection and road works is comprised of a total of 3,007 residential units. Buildout of this subdivision would result in regional development charges of approximately $58.5 million of which $20.4 million pertains to the roads component of the charge.

The Region's Transportation Services Department has reviewed the request submitted by Block 18 Properties Inc. in accordance with the approved DC credit policy, and has determined that $263,065 of the combined total value of the intersection and road works is eligible for consideration through the DC credit process *(Attachment 2).*

Proposed total DC Credit of $231,497 be permitted

Block 18 Properties Inc. is the trustee for the landowners within the subject lands. The current participating landowners in Block 18 include:

Table 1
Block 18 Participating Landowners

Landowner	Subdivision Number
Fernbrook Homes (Block 18 Gulf) Limited	Plan 19T-00V18
Fernbrook Homes (Majormac) Limited	Plan 19T-00V12
East Maple Creek Lands Limited	Plan 19T-00V15
Honeyvale Glade Estates Inc.	Plan 19T-03V16 & 19T-03V18
IvyGlen Developments Inc.	Plan 19T-00V14
Milescove Holdings Inc.	Plan 19T-01V01
Nine Ten West Limited	Plan 19T-00V17
1275620 Ontario Inc.	Plan 19T-02V10
Arband Investments Ltd.	Plan 19T-00V19

As the works were completed by Block 18 Properties Inc., the trustee for the developer group has requested that the Region provide credits to the first individual landowner who registers his/her subdivision. The individual landowner receiving the DC credit from the Region would then reimburse the Block 18 Properties Inc. trustee for the full amount credited by the Region.

In accordance with the DC credit policy, in order to advance the intersection and road 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 due to the construction of the works in advance of the timing proposed in the Region’s 10 year capital program. Attachment 3 outlines the non-growth discounting methodology associated with this request.

It is proposed that a DC Credit be permitted for the combined growth-related component of the works in the amount of $231,497 (97.1%) and $7,174 (2.9%) for the combined non-growth component. This is comprised of growth related DC credit of $167,209 and $64,288 for Major Mackenzie Drive (70 meters west of Dufferin Street to 1,450 metres west of Dufferin Street) and Rutherford Road (from Peter Rupert intersection to 140 metres east) respectively, and non-growth component $7,174 for Rutherford Road. 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 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 agreements detailed in Table 1 for the intersection and road improvements on Major Mackenzie Drive (70 meters west of Dufferin Street to 1,450 metres west of Dufferin Street) and Rutherford Road (from Peter Rupert intersection to 140 metres east) in the City of Vaughan.

The non-growth component (tax levy) of the works is provided for in the 2010 Roads Capital Budget. The developer is entitled to recover the non-growth component of $7,174 for the works. The combined year to date (for 2010) cumulative impact of the non-growth component of DC Credits proposed and/or approved by Finance and Administration Committee and Council is $478,526.

6. LOCAL MUNICIPAL IMPACT

The proposed intersection and road improvements will benefit the Town of Aurora in terms of improving traffic flow along the roadways of Major Mackenzie Drive and Rutherford Road in the City of Vaughan. These intersection and road improvements also facilitate the buildout of the subdivisions in the City of Vaughan.

7. CONCLUSION

The DC credit request submitted by Block 18 Properties Inc. has been reviewed in accordance with the approved DC credit policy. It is proposed that subject to completion of the intersection and road works to the satisfaction of the Commissioner of Transportation Services, the developer be eligible for a combined roads DC credit of $231,497 (97.1%) for the growth component and the combined non-growth cost recovery of $7,174 (2.9%) 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 three attachments referred to in this clause are attached to this report.)

SCHAEFFERS
CONSULTING ENGINEERS

6 Ronrose Drive, Concord, Ontario L4K 4R3
Tel: (905) 738-6100 Fax: (905) 738-6875
Tor. Line: (416) 213-5590 Email: general@schaeffers.com

June 15, 2007

Our File: 2003-2645

Regional Municipality of York
Transportation and Works Department
90 Bales Drive
Sharon, Ontario
L0G 1V0

Attention: Faris Georgis, P.Eng

Re: Application for Development Charge Credit
Major Mackenzie Drive – Block 18
York Region File No. D19 04.023.V
City of Vaughan, Regional Municipality of York

On behalf of our client, Block 18 Properties Inc., we are pleased to forward the following documentation requesting consideration for development charge credit for works completed on Major Mackenzie Drive (from approx. 70m west of Dufferin Street to approx. 1450m west of Dufferin Street) for the above-referenced project.

Please find enclosed the following:

1. Three copies of the new construction drawings
2. Three copies of the quantity and cost summary
3. Three copies of the earthwork quantity calculations

If you have any questions or comments regarding these matters, please do not hesitate to contact the undersigned.

Yours truly,
SCHAEFFER & ASSOCIATES LTD.

H - Tozcu

Hacik Tozcu, P.Eng

Attachments

cc. Block 18 Properties Inc.
Attn. Mr. George Karakokkinos

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June 15, 2007

Our File: 2003-2645

Regional Municipality of York
Transportation and Works Department
90 Bales Drive
Sharon, Ontario
L0G 1V0

Attention: Faris Georgis, P.Eng

Re: Application for Development Charge Credit
Rutherford Road – Block 18
York Region File No. D19 04.023.V
City of Vaughan, Regional Municipality of York

On behalf of our client, Block 18 Properties Inc., we are pleased to forward the following documentation requesting consideration for development charge credit for works completed on Rutherford Road (from the intersection of Rutherford Road & Peter Rupert Avenue to approx. 140m east of Peter Rupert Avenue) for the above-referenced project.

Please find enclosed the following:

1. Three copies of the new construction drawings
2. Three copies of the quantity and cost summary
3. Three copies of the earthwork quantity calculations

If you have any questions or comments regarding these matters, please do not hesitate to contact the undersigned.

Yours truly,
SCHAEFFER & ASSOCIATES LTD.

H. Tozcu

Hacik Tozcu, P.Eng

Attachments

cc. Block 18 Properties Inc.
Attn. Mr. George Karakokkinos

COUNCIL ATTACHMENT 2

Schaeffers Consulting Engineers
Major Mackenzie Drive (from approx. 70 west of Dufferin to approx. 1,450 west of Dufferin Street) and
Rutherford Road and Peter Rupert Avenue (approx. 140m east of Peter Rupert)
City of Vaughan

			Total Cost	Regional Cost (DC Credit)	Developer Cost
a)	Total estimated cost of works		$521,345		
b)	Amount of works not in ultimate Regional location		($258,280)		($258,280)
c)	Amount eligible for Development Charge Credit (per Development Charge Credit Policy)		$263,065		
	- development charge component	88.00%	$231,497	$231,497	
d)	Non-growth summary				
	- non-growth component	12.00%	$31,568		
	Developer share of non-growth costs - present value of works constructed ***(works not included in 10 year capital forecast)***		($24,394)		($24,394)
	Regional share of non-growth costs		$7,174	$7,174	
Total Share of Capital Costs				**$238,671**	**($282,674)**

Developer Recovery Summary:

Total growth-related credit -	$231,497
Total non-growth reimbursement -	$7,174
	$238,671

Summary:

Total Estimated Cost of Works	$521,345
Regional Share (DC Credit)	$238,671
Developer Share	($282,674)

Schaeffers Consulting Engineers
Widening of Weston Road at Hawkview Blvd., Ashberry Blvd. And Comdel Blvd.

a)	Total estimated cost of works		$499,765
b)	Amount of works not in ultimate Regional location		($338,995)
c)	Amount eligible for Development Charge Credit (per Development Charge Credit Policy)		$160,770
	- development charge component	88.00%	$141,478
	- non-growth component	12.00%	$19,292
d)	Non-growth component		
	- developer share of non-growth costs - present value of works constructed ***(works included in 10 year capital forecast)***		$5,013
	- Regional share of non-growth		$14,279
Total eligible for Roads Development Charge Credit			**$155,757**

Total growth-related credit -	$141,478
Total non-growth reimbursement -	$14,279
	$155,757

Total Estimated Cost of Works	$499,765
Regional Share (DC Credit)	$155,757
Developer Share	$344,008

DEVELOPMENT CHARGE CREDIT

Non Growth Discounting Methodology

Major Mackenzie Drive (from approx. 70 west of Dufferin to approx. 1,450 west of Dufferin Street) and
Rutherford Road and Peter Rupert Avenue (approx. 140m east of Peter Rupert)

Assumptions:

Growth Component of capital works:	88.00%
Non Growth Component of capital works:	12.00%
Interest Rate[1] :	3.40%
Eligible works for DC credit:	$263,064.68

Planned Construction Year	# Years to advance	Total Eligible for credit (A)	Discounted Non Growth Share[2] (B)	Payable to Developer (A-B)	Payment to Developer			
					Growth Component (DC)	% of payment	Non-Growth Component(Tax Levy)	% of payment
2007	0	$263,065	$0	$263,065	$231,497	88.0%	$31,568	12.0%
2008	1	$263,065	$1,038	$262,027	$231,497	88.3%	$30,530	11.7%
2009	2	$263,065	$2,042	$261,023	$231,497	88.7%	$29,526	11.3%
2010	3	$263,065	$3,013	$260,052	$231,497	89.0%	$28,555	11.0%
2011	4	$263,065	$3,952	$259,113	$231,497	89.3%	$27,616	10.7%
2012	5	$263,065	$4,860	$258,205	$231,497	89.7%	$26,708	10.3%
2013	6	$263,065	$5,738	$257,327	$231,497	90.0%	$25,830	10.0%
2014	7	$263,065	$6,588	$256,477	$231,497	90.3%	$24,980	9.7%
2015	8	$263,065	$7,409	$255,656	$231,497	90.6%	$24,159	9.4%
2016	9	$263,065	$8,203	$254,862	$231,497	90.8%	$23,365	9.2%
2017	10	$263,065	$8,972	$254,093	$231,497	91.1%	$22,596	8.9%
Combined DC Request	**10**	**$263,065**	**$24,394**	**$238,497**	**$231,497**	**97.1%**	**$24,394**	**2.9%**
beyond 2017	>10	$263,065	$31,568	$231,497	$231,497	100.0%	$0	0.0%

Notes:

1. Represents a 5.4% interest rate less a 2% rate adjusted for inflation as per the Development charge credit policy.
2. Due to advancing of works in the 10 year capital plan, the non growth component has been discounted, and is the responsibility of the developer.

Growth Component: 88.00%
Non Growth Component: 12.00%
Interest Rate: 3.40%
Amount: $100,000.00

Year	# Years Works Advanced	Growth Component DC Credits (A)	%	Non-Growth Component Tax Levy Repayment (B)	%	Total Payable to Developer (A+B)	Non-Growth Component Developer Contribution (C)	%
2007	0	$88,000.00	88.0%	$12,000.00	12.0%	$100,000.00	0	0.0%
2008	1	$88,000.00	88.0%	$11,605.42	11.6%	$99,605.42	$394.58	0.4%
2009	2	$88,000.00	88.0%	$11,223.81	11.2%	$99,223.81	$776.19	0.8%
2010	3	$88,000.00	88.0%	$10,854.75	10.9%	$98,854.75	$1,145.25	1.1%
2011	4	$88,000.00	88.0%	$10,497.82	10.5%	$98,497.82	$1,502.18	1.5%
2012	5	$88,000.00	88.0%	$10,152.63	10.2%	$98,152.63	$1,847.37	1.8%
2013	6	$88,000.00	88.0%	$9,818.79	9.8%	$97,818.79	$2,181.21	2.2%
2014	7	$88,000.00	88.0%	$9,495.93	9.5%	$97,495.93	$2,504.07	2.5%
2015	8	$88,000.00	88.0%	$9,183.68	9.2%	$97,183.68	$2,816.32	2.8%
2016	9	$88,000.00	88.0%	$8,881.71	8.9%	$96,881.71	$3,118.29	3.1%
2017	10	$88,000.00	88.0%	$8,589.66	8.6%	$96,589.66	$3,410.34	3.4%

DEVELOPMENT CHARGE CREDIT

Non Growth Discounting Methodology

Major Mackenzie Drive (from approx. 70 west of Dufferin to approx. 1,450 west of Dufferin Street) and Rutherford Road and Peter Rupert Avenue (approx. 140m east of Peter Rupert)

Assumptions:

Growth Component of capital works:	88.00%
Non Growth Component of capital works:	12.00%
Interest Rate[1] :	3.40%
Eligible works for DC credit:	$263,064.68

Planned Construction Year	# Years to advance	Total Eligible for credit (A)	Discounted Non Growth Share[2] (B)	Payable to Developer (A-B)	Payment to Developer: Growth Component (DC)	% of payment	Non-Growth Component(Tax Levy)	% of payment
2007	0	$263,065	$0	$263,065	$231,497	88.0%	$31,568	12.0%
2008	1	$263,065	$1,038	$262,027	$231,497	88.3%	$30,530	11.7%
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Combined DC Request	**10**	**$263,065**	**$24,394**	**$238,497**	**$231,497**	**97.1%**	**$24,394**	**2.9%**
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Notes:
1. Represents a 5.4% interest rate less a 2% rate adjusted for inflation as per the Development charge credit policy.
2. Due to advancing of works in the 10 year capital plan, the non growth component has been discounted, and is the responsibility of the developer.