18
DEVELOPMENT CHARGE CREDIT REQUEST WHELER'S MILL PHASE 1 – MATTAMY (HOOVER PARK) LTD. NINTH LINE AT HOOVER PARK DRIVE TOWN OF WHITCHURCH-STOUFFVILLE

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 $697,830 for the growth-related component (development charges) and a recovery of $89,004 for the non-growth component (tax levy) of the proposed intersection improvement works undertaken by Wheler's Mill Phase 1 – Mattamy (Hoover Park) Ltd. in the Town of Whitchurch-Stouffville, subject to completion of the works to the satisfaction of the Commissioner of Transportation Services.

2. The Regional Treasurer be authorized to fund the growth component of the development charge credit regarding the noted works totalling $697,830 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 Wheler's Mill Phase 1 – Mattamy (Hoover Park) Ltd. for the intersection improvement at Ninth Line and Hoover Park Drive in the Town of Whitchurch-Stouffville 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 18, 2007 as part of the passing of Regional DC By-law No. DC-0007-2007-040).

Wheler's Mill Phase 1 – Mattamy (Hoover Park) Ltd. has forwarded a request to the Region's Transportation Services Department for the consideration of DC credits for the intersection improvement works at Ninth Line Drive and Hoover Park Drive in the Town of Whitchurch-Stouffville *(Attachment 1).*

4. ANALYSIS AND OPTIONS

Wheler's Mill Phase 1 – Mattamy (Hoover Park) Ltd. has requested a DC Credit of $884,750

Wheler's Mill Phase 1 – Mattamy (Hoover Park) Ltd. has developed a residential subdivision (19T-01W03 Whitchurch-Stouffville) in the Town of Whitchurch-Stouffville. In order to proceed with the development of the lands, the developer group was required to undertake an intersection improvement works at Ninth Line and Hoover Park Drive in the Town of Whitchurch-Stouffville in accordance with the planned reconstruction program at an estimated cost of $884,750. The intersection improvement has been incorporated in the Region's 10 Year Capital Program for the year 2010.

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 intersection improvement works totals 791 residential units

The subject subdivision benefiting from the intersection improvement works is comprised of a total of 791 residential units. Buildout of the subdivision has resulted in regional development charges of approximately $16.5 million of which $5.8 million pertains to the roads component of the charge.

The Region's Transportation Services Department has reviewed the request submitted by Wheler's Mill Phase 1 – Mattamy (Hoover Park) Ltd. in accordance with the approved DC credit policy, and has determined that $792,989 of the total value of the intersection improvement works is eligible for consideration through the DC credit process *(Attachment 2).*

Proposed total DC Credit of $786,834 be permitted

It is proposed that a payment of $786,834 be permitted to Wheler's Mill Phase 1 – Mattamy (Hoover Park) Ltd. The payment is comprised of $697,830 (88.7%) for the growth component of the works and $89,004 (11.3%) for the non-growth component. As the subdivision has been built out, and the road DC's for this subdivision has 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.

The intersection improvement works were included in the Region's 10 year Capital Program in the year 2010. In accordance with the DC credit policy, in order to advance the intersection improvement 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 when construction of the works is advanced prior to the timing proposed in the Region's 10 year capital program. Attachment 3 outlines the non-growth discounting methodology associated with this request.

Therefore, it is proposed that a reimbursement for the growth-related component of the works in the amount of $697,830 (88.7%) and $89,004 (11.3%) 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 developer is entitled to recover the non-growth component of $89,004 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 road intersection improvement works will benefit the Town of Whichurch-Stouffville in terms of improving traffic flow along the roadway of Ninth Line at Hoover Park Drive. The intersection improvement also facilitates the buildout of the subdivision in the Town of Whitchurch-Stouffville.

7. CONCLUSION

The DC credit request submitted by Wheler's Mill Phase 1 – Mattamy (Hoover Park) Ltd. has been reviewed in accordance with the approved DC credit policy. It is proposed that subject to completion of the intersection improvement works, at Ninth Line and Hoover Park Drive, to the satisfaction of the Commissioner of Transportation Services, the developer be eligible for a growth recovery of the roads DC credit of $697,830 (88.7%) to be funded from the Regional roads DC previously collected and a non-growth cost recovery of $89,004 (11.3%) 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.)

Stantec Consulting Ltd.
300 - 675 Cochrane Drive West Tower
Markham ON L3R 0B8
Tel: (905) 944-7777
Fax: (905) 474-9889

Stantec

October 27, 2009
File: 160620863

Regional Municipality of York
Roads Branch, Transportation Services
90 Bales Drive
East Gwillimbury

Attention: **Mr. Dan Terzievski**

Dear: Mr. Terzievski

Reference: **Application for Development Charge Credit**
Ninth Line and Hoover Park Drive – Wheler's Mill Phase 1
Region File No. D19-04.007.W

Further to our meeting on July 22, 2009 please find enclosed the updated Quantity and Cost Summary in support of a Development Charge Credit for the Intersection Improvements at Ninth Line and Hoover Park Drive within the Town of Stouffville.

Please find enclosed the following in support of this request:

- One (1) copy of updated Quantity and Cost Summary indicating items eligible for DC credit;
- One (1) copy of updated Hoover Park Drive and Ninth Line Intersection Drawing 414;

On October 6, 2009 the Region of York provided a copy of the 30% submission drawing base for the reconstruction of Ninth Line which included the portion of Ninth Line at Hoover Park Drive within the Town of Stouffville. Our office has reviewed the proposed reconstruction within this intersection and has adjusted the Quantity and Cost Summary accordingly.

We would note the following changes/assumptions that we have made to the Quantity and Cost Summary.

Site Preparation and Earthworks

1.01 – The unit price has been adjusted based on the various changes made throughout the Quantity and Cost Summary (1.5% of DC Eligible Items, as per Curtis Ching)

1.02 – This Quantity has been updated to 4931m^3 as per our previous meeting and as per Curtis Ching's calculations.

1.03 – This Quantity has been updated to 3201m^3 as per our previous meeting and as per Curtis Ching's calculations.

Pavement Material

1.04 – HL-3 Asphalt (50mm) has been updated to reflect the extents of the Region's proposed construction limits. Currently the Region is proposing to keep the HL-3 Asphalt within the intersection of Hoover Park and Ninth Line.

Reference: Application for Development Charge Credit
Ninth Line and Hoover Park Drive – Wheler's Mill Phase 1
Region File No. D19-04.007.W

1.10 – This item has been updated to reflect the new limits of HL-3 Asphalt.

1.11 - This item has been updated to reflect the new limits of HL-3 Asphalt.

<u>Miscellaneous</u>

1.14,1.15 - These items have been updated to reflect the new limits of curb and subdrain that are to remain as per the proposed Ninth Line reconstruction drawings.

1.19, 1.20, 1.21 – These items has been updated to reflect the Region's proposed changes to existing ditching, bike path and sidewalk locations along the east and west portions or 9th Line.

We would note that we have assumed the existing DICB's and related splash pads located on the east and west side of Ninth Line, north of Hoover Park Drive are to remain as the Region has not provided an alternative method of drainage within the 30% submission drawings.

All other items within the Quantity and Cost Summary have remained as there were no issues with these items as per Curtis Ching's previous review and our subsequent meeting on July 22, 2009.

Based on the above changes the new claim total which the Region of York is to pay Mattamy (Hoover Park) Ltd. is **$885,000**. We would request that the Region of York complete a review of the attached information in a timely manner and advise the Region of York Finance Department of the amount to be paid.

We trust the attached is acceptable. If there are any questions please feel free to contact our office.

Sincerely,

STANTEC CONSULTING LTD.

Sherri Meiboom

Sherri Meiboom, A.Sc.T.
Land Development Technologist
Tel: (905) 944-6859
Fax: (905) 474-9889
sherri.meiboom@stantec.com

c. Mr. Roy Werner; Mattamy Homes (One copy of submission)
Mr. Mike Lafete; Stantec Consulting Ltd.
Mr. Bob Judges; Stantec Consulting Ltd.

Stantec Consulting Ltd.
Intersection Works at Ninth Line and Hoover Park Drive
Town of Whitchurch-Stouffville

			Total Cost	Regional Cost (DC Credit)	Developer Cost
a)	Total estimated cost of works		$884,750		
b)	Amount of works not in ultimate Regional location		($91,761)		($91,761)
c)	Amount eligible for Development Charge Credit (per Development Charge Credit Policy)		$792,989		
	- development charge component	88.00%	$697,830	$697,830	
d)	Non-growth summary				
	- non-growth component	12.00%	$95,159		
	Developer share of non-growth costs				
	- present value of works constructed ***(works included in 10 year capital forecast)***		($6,155)		($6,155)
	Regional share of non-growth costs		$89,004	$89,004	
Total Share of Capital Costs				**$786,834**	**($97,916)**

Developer Recovery Summary:

Total growth-related credit -	$697,830
Total non-growth reimbursement -	$89,004
	$786,834

Summary:

Total Estimated Cost of Works	$884,750
Regional Share (DC Credit)	$786,834
Developer Share	($97,916)

DEVELOPMENT CHARGE CREDIT

Non Growth Discounting Methodology

Intersection Works at Ninth Line and Hoover Park Drive

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:	$792,989.00

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
2008	0	$792,989	$0	$792,989	$697,830	88.0%	$95,159	12.0%
2009	1	$792,989	$3,129	$789,860	$697,830	88.3%	$92,030	11.7%
2010	**2**	**$792,989**	**$6,155**	**$786,834**	**$697,830**	**88.7%**	**$89,004**	**11.3%**
2011	3	$792,989	$9,082	$783,907	$697,830	89.0%	$86,077	11.0%
2012	4	$792,989	$11,912	$781,077	$697,830	89.3%	$83,247	10.7%
2013	5	$792,989	$14,649	$778,340	$697,830	89.7%	$80,510	10.3%
2014	6	$792,989	$17,297	$775,692	$697,830	90.0%	$77,862	10.0%
2015	7	$792,989	$19,857	$773,132	$697,830	90.3%	$75,302	9.7%
2016	8	$792,989	$22,333	$770,656	$697,830	90.6%	$72,826	9.4%
2017	9	$792,989	$24,728	$768,261	$697,830	90.8%	$70,431	9.2%
2018	10	$792,989	$27,044	$765,945	$697,830	91.1%	$68,115	8.9%
beyond 2018	>10	$792,989	$95,159	$697,830	$697,830	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.