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DEVELOPMENT CHARGE CREDIT REQUEST KINGHILL ESTATES INC. JANE STREET AND MOUNT MELICK DRIVE TOWNSHIP OF KING

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report dated September 7, 2010, from the Commissioner of Finance.

1. RECOMMENDATIONS

It is recommended that:

1. Council authorize a development charge (“DC”) credit in the amount of \$236,699 for the growth-related component (development charges) and a recovery of \$32,278 for the non-growth component (tax levy) of the proposed intersection improvement works undertaken by Kinghill Estates Inc. in the Township of King, 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 improvement works performed by Kinghill Estates Inc. for the intersection at Jane Street and Mount Mellick Drive in the Township of King 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).

Kinghill Estates Inc. has forwarded a request to the Region's Transportation Services Department for the consideration of DC credits for the intersection improvement works at Jane Street and Mount Mellick Drive in the Township of King (Attachment 1).

4. ANALYSIS AND OPTIONS

Kinghill Estates Inc. has requested a DC Credit of \$305,033

Kinghill Estates Inc. has developed a residential subdivision (19T-89046 King) in the Township of King. In order to proceed with the development of the lands, the developer group was required to undertake intersection improvement works at Jane Street and Mount Mellick Drive in the Township of King in accordance with the planned reconstruction program at an estimated cost of \$305,033. The intersection improvement works have not 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, and the applicant has agreed to the amount and now is in a position to proceed with the DC credit process.

5. FINANCIAL IMPLICATIONS

Subdivision lands benefiting from road intersection improvement works totals 21 residential units

The subject subdivision benefiting from the intersection improvement works comprised of a total of 21 residential units. Buildout of this subdivision would result in regional development charges of approximately \$448,623 based upon current rates of which \$155,820 pertains to the roads component of the charge.

The Region's Transportation Services Department has reviewed the request submitted by Kinghill Estates Inc. in accordance with the approved DC credit policy and staff has determined that \$268,977 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 \$268,977 be permitted

In accordance with the DC credit policy, in order to advance the intersection improvement works from 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. As the intersection

improvement works were built to the ultimate location, Kinghill Estates Inc. is entitled to recover \$32,278 of the non-growth component of the works.

It is proposed that a DC Credit be permitted for the growth-related component of the works in the amount of \$236,699 (88%) and \$32,278 (12%) for the non-growth component. 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 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 agreement for the intersection improvement works at Jane Street and Mount Mellick Drive in the Township of King.

At the time of subdivision registration when development charge credits would be applied, the difference between the credits achieved and the credits approved in this report will be reimbursed from general roads development charges collected.

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 \$32,278 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 Township of King in terms of improving traffic flow along the roadway of Jane Street and Mount Mellick Drive. This improvement also facilitates the buildout of the subdivision in the Township of King.

7. CONCLUSION

The DC credit request submitted by Kinghill Estates Inc. has been reviewed in accordance with the approved DC credit policy. It is proposed that subject to completion of the intersection works to the satisfaction of the Commissioner of Transportation Services, the developer be eligible for a roads DC credit of \$236,699 (88%) for the growth component and the non-growth cost recovery of \$32,278 (12%) 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 two attachments referred to in this clause are attached to this report.)



Stantec

stantec Consulting Ltd.
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September 09, 2009
File: 1606 20999 30

The Regional Municipality of York
Transportation Services Department
90 Bales Drive
Sharon ON L0G 1V0

Attention: Mr. Trevor Catherwood, CET

Dear Sir:

**Reference: Application for Development Charge Credit
Jane Street and Mount Mellick Drive
Kinghill Estates Subdivision
Region File: D19-96.002K**



On behalf of our client, Kinghill Estates Inc., we are pleased to submit the following documents requesting a Development Charge credit for works to be completed on Jane Street (YR 55) at Mount Mellick Drive:

- One copy of the Quantity & Cost Summary indicating items eligible for Development Charge credit using the Region's Unit Costs Chart where appropriate, and contract values and estimates where no Region unit cost was listed. The total claimed is \$305,033.44.
- One copy of the Calculations for cut/fill, Granular "A", and Granular "B".
- One copy each of the following drawings prepared by Stantec Consulting Ltd.
 - Drawing No. 406 – Intersection Layout and Tree Inventory
 - Drawing No. 407 – Intersection Grading Plan and Cross-Sections
 - Drawing No. 408 – Intersection Grading Plan and Cross-Sections
 - Drawing No. DC-1 – DC Credit Roadworks Quantities
 - Drawing No. 407 – Cross-Sections with End Area Calculations
 - Drawing No. 408 – Cross-Sections with End Area Calculations
- One copy each of the Illumination, Conduit System and Pavement Markings (Dwg. No. 02173-01 Sheet 1) and Electrical Legend (Sheet 2) prepared by RTG Systems Corp.
- One copy of the Schedule of Unit Prices dated September 1, 2009, which is part of the contract with K.J. Beamish Construction Co. Limited for the works.
- One copy of excerpts from Payment Certificate No. 8 dated October 17, 2007 in favour of Carillion Construction Canada, detailing payment made for works relating to the removal and replacement of the culvert crossing Jane Street (Change Order No. 5), which was completed by Carillion.
- One copy of the cost estimate for electrical works prepared by RTG Systems Corp.
- One copy of the Region's approval letter dated July 22, 2009 for the Jane Street works.

Stantec

September 09, 2009
Mr. Trevor Catherwood, CET
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Reference: **Application for Development Charge Credit**
Jane Street and Mount Mellick Drive
Kinghill Estates

We trust that this submission will meet with the Region's approval. Should you have any questions or require any additional information, please contact the undersigned.

Sincerely,

STANTEC CONSULTING LTD.



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Attachment

c. Mr. Lovro Gotovac, Kinghill Estates Inc.
Mr. Anton Kikas, Anton Kikas Limited
Mr. Brad Frizzell, Stantec Consulting Ltd.

Stantec Consulting Ltd.
Intersection Works at Jane Street and Mount Mellick Drive
Township of King

		Total Cost	Regional Cost (DC Credit)	Developer Cost
a)	Total estimated cost of works	\$305,033		
b)	Amount of works not in ultimate Regional location	(\$36,057)		(\$36,057)
c)	Amount eligible for Development Charge Credit (per Development Charge Credit Policy)	\$268,977		
	- development charge component 88.00%	\$236,699	\$236,699	
d)	Non-growth summary			
	- non-growth component 12.00%	\$32,278		
	<u>Developer share of non-growth costs</u>			
	- present value of works constructed <i>(works included in 10 year capital forecast)</i>	(\$0)		(\$0)
	<u>Regional share of non-growth costs</u>	\$32,278	\$32,278	
Total Share of Capital Costs			\$268,977	(\$36,057)

Developer Recovery Summary:

Total growth-related credit -	\$236,699
Total non-growth reimbursement -	\$32,278
	<u>\$268,977</u>

Summary:

Total Estimated Cost of Works	\$305,033
Regional Share (DC Credit)	\$268,977
Developer Share	(\$36,057)