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DEVELOPMENT CHARGE CREDIT REQUEST BARKER BUSINESS PARK (PHASE II) LIMITED MAJOR MACKENZIE DRIVE AND VIA RENZO TOWN OF RICHMOND HILL

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report dated August 19, 2011, from the Commissioner of Finance.

1. RECOMMENDATIONS

It is recommended that:

1. Council authorize a development charge (“DC”) credit in the amount of \$601,412 (90%) for the growth-related component (development charges) of the proposed intersection improvement works undertaken by Barker Business Park (Phase II) Limited in the Town of Richmond Hill, 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 DC credit for intersection improvement works performed by Barker Business Park (Phase II) Limited at Major Mackenzie and Via Renzo in the Town of Richmond Hill in advance of the construction timing projected in the Regional Roads Master Plan.

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).

Barker Business Park (Phase II) Limited has forwarded a request to the Regional Transportation Services Department for the consideration of DC credits for the

intersection improvement works at Major Mackenzie Drive and Via Renzo in the Town of Richmond Hill (*Attachment 1*).

4. ANALYSIS AND OPTIONS

Barker Business Park (Phase II) Limited has requested a DC Credit of \$718,123

Barker Business Park (Phase II) Limited is developing a non-residential subdivision in the Town of Richmond Hill. In order to proceed with the development of the lands, the developer was required to undertake intersection improvement works at Major Mackenzie Drive and Via Renzo in the Town of Richmond Hill in advance of the planned reconstruction program at an estimated cost of \$718,123.

5. FINANCIAL IMPLICATIONS

Subdivision lands benefiting from road improvement works totals 198 acres of non-residential land

The subject non-residential subdivision benefiting from the intersection improvement works is comprised of a total of 198 acres (80.1 hectares) of land, of which approximately 130 acres (52.6 hectares) is considered to be developable area. The developer anticipates that approximately 2.7 million square feet (250,838 square metres) of developable gross floor area will be constructed on this site. Build out of these lands would result in regional development charges of approximately \$33.8 million, of which \$9.9 million pertains to the roads component of the charge. To date, this development has generated approximately \$1.8 million in Regional development charges of which \$900,000 pertains to the road component of the charge.

The Regional Transportation Services Department has reviewed the request submitted by Barker Business Park (Phase II) Limited in accordance with the approved DC credit policy, and has determined that \$668,235 of the total value of the road works is eligible for consideration through the DC credit process (*Attachment 2*).

Proposed total DC Credit of \$601,412 be permitted

In accordance with the DC credit policy, and given that the road works were advanced prior to the timing proposed by the Region and were not built to the ultimate location, Barker Business Park (Phase II) Limited is not entitled to recover \$66,823 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 \$601,412 (90%) only, as the developer is not eligible to recover

the non-growth component of the works. The developer has been contacted and is in agreement with the credit amount.

The DC credit is to be funded through a reduction of future Regional roads development charges otherwise payable at the time of subdivision registration, subject to completion of the intersection improvement 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/building permit issuance for the intersection improvement works at Major Mackenzie Drive and Via Renzo in the Town of Richmond Hill.

As the developer is not entitled to recover the non-growth component of \$66,823 for the works, this does not affect the tax levy component of the 2011 Roads Capital Budget. As a result, the combined year to date cumulative impact of the non-growth component of DC Credits that have been approved by Finance and Administration Committee and Council in 2011 remains at \$46,654.

6. LOCAL MUNICIPAL IMPACT

The proposed intersection improvement works will benefit the Town of Richmond Hill by improving traffic flow along Major Mackenzie and Via Renzo. These intersection improvements also facilitate the buildout of the subdivision in the Town of Richmond Hill.

7. CONCLUSION

The DC credit request submitted by Barker Business Park (Phase II) Limited has been reviewed in accordance with the approved DC credit policy. It is proposed that subject to completion of the intersection improvement works to the satisfaction of the Commissioner of Transportation Services, the developer be eligible for a roads DC credit of \$601,412 (90%) for the growth component and ineligible for the non-growth component of \$66,823 (10%) 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.)



transportation planning &
engineering consultants

April 15, 2010

Project # 4277

Dan Terzievski, P.Eng., P.T.O.E.
Program Manager, Development Approvals
York Region Transportation Services Department
17250 Yonge Street, Box 147
Newmarket, ON, L3Y 6Z1

Dear Dan:

**Re: Application for Development Charge Credit
Major Mackenzie Drive (Leslie Street to Highway 404)
Region File No. D19-07.004.R
Town of Richmond Hill, Regional Municipality of York**

On behalf of our client, Urbacon, we are pleased to forward the following revised documentation that now includes additional eligible items for the application previously submitted relating to the works completed on Major Mackenzie Drive between Leslie Street and Highway 404.

Please find enclosed the following (2 copies of each) that represent the updated submission to include top surface asphalt, additional earthworks and pavement markings:

1. Updated typical cross sections
2. Updated design cross sections (roll plan)
3. Updated new construction plans (to scale)
4. Updated average end area calculation tables
5. Updated Quantity and Cost Estimate (Original electrical spreadsheet)
6. Original electrical bid form for your information

We look forward to your final review/approval of the DC Credit Application. If you have any further questions or comments regarding the application, please do not hesitate to contact our office.

Yours truly,
iTRANS Consulting Inc.


Greg Perry
Senior Transportation Designer

YORK REGION	
TRANSPORTATION SERVICES	
APR 15 2010	
FILE / ROUTING	

iTRANS Consulting Inc.
Major Mackenzie Drive and Via Renzo Intersection
Town of Richmond Hill

	Total Cost	Regional Cost (DC Credit)	Developer Cost
a) Total cost of works submitted by developer	\$718,123		
b) Amount of works not in ultimate Regional location	(\$49,888)		\$49,888
c) Amount eligible for Development Charge Credit (per Development Charge Credit Policy)	\$668,235		
- development charge component 90.00%	\$601,412	\$601,412	
- non-growth component 10.00%	\$66,823		\$66,823
Total Share of Capital Costs		\$601,412	\$116,711

Developer Recovery Summary:

Total growth-related credit -	\$601,412
Total non-growth reimbursement -	\$0
	<u>\$601,412</u>

Summary:

Total cost of works submitted by developer	\$718,123
Regional Share (DC Credit)	\$601,412
Developer Share	\$116,711