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DEVELOPMENT CHARGE CREDIT REQUEST HARVEST HILLS DEVELOPMENT CORPORATION AND MINTO COMMUNITIES INC. WOODSPRING AND YONGE STREET WEST METER CHAMBERS TOWN OF EAST Gwillimbury

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 \$810,598 (95%) for the combined growth-related component (development charges) and a recovery of \$42,663 (5%) for the combined non-growth component (user rate) of the proposed water works undertaken by Harvest Hills Development Corporation and Minto Communities Inc. in the Town of East Gwillimbury, subject to completion of the works to the satisfaction of the Commissioner of Environmental 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 water 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 water meter works performed by Harvest Hills Development Corporation and Minto Communities Inc. in the Town of East Gwillimbury in advance of the construction timing projected in the Regional Water 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).

Harvest Hills Development Corporation and Minto Communities Inc. has forwarded a request to the Region's Environmental Services Department for the consideration of DC credits for water meter chamber at Woodspring Avenue and Yonge Street in the Town of East Gwillimbury (*Attachment 1*).

4. ANALYSIS AND OPTIONS

Harvest Hills Development Corporation and Minto Communities Inc. has requested a combined DC Credit of \$948,208

Development Charge Credit Request Harvest Hill Development Corporation and Minto Communities Inc. have developed a residential subdivision in the Town of East Gwillimbury. In order to proceed with the development of the lands, the developer group was required to undertake water meter works at Woodspring Avenue and on Yonge Street in the Town of East Gwillimbury in accordance with the planned reconstruction program at a combined cost of \$948,208. These water works have been incorporated in the Region's 10 Year Capital Program for 2009.

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 water meter chamber works totals 635 residential units

The subject residential subdivision benefiting from the water meter chamber works (19T-04001 Town of East Gwillimbury) is comprised of a total of 635 residential units. Buildout of this subdivision would result in regional development charges of approximately \$13.3 million of which \$2.8 million pertains to the water component of the charge.

The Region's Environmental Services Department has reviewed the request submitted by Development Charge Credit Request Harvest Hill Development Corporation and Minto Communities Inc. in accordance with the approved DC credit policy, and has determined that \$853,261 (\$381,647 and \$471,614 respectively) of the combined total value of the water works is eligible for consideration through the DC credit process (*Attachment 2*).

Proposed total DC Credit of \$853,081 be permitted

These water meter works were included in the Region's 10 year Capital Program in the year 2009. In accordance with the DC credit policy, in order to advance the water meter

chamber 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. As these water meter chambers were included in the Region's 10 Year Capital Program and were built to regional specifications (ultimate location), Harvest Hill Development Corporation and Minto Communities Inc. is entitled to recover \$42,663 of the combined non-growth component of the works.

It is proposed that a DC Credit be permitted for the combined growth-related component of the water meter chamber works in the amount of \$810,598 (95%) and \$42,663 (5%) for the combined non-growth component. This is comprised of growth related DC credit of \$362,565 and \$448,033 for Woodspring Meter Chamber and for the Yonge Street West Meter Chamber respectively, and non-growth component of \$19,082 and \$23,581 respectively. As directed by Minto Communities Inc. and Harvest Hills Development Corporation the Region will distribute the eligible DC credit in accordance with the following split, 53.59% to Minto Communities Inc. and 46.41% to Harvest Hills Development Corporation. The non-growth reimbursement will be provided directly to the Trustee for the developer group. 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 water development charges otherwise payable at the time of subdivision registration, subject to completion of the works to the satisfaction of the Commissioner of Environmental 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 water meter chamber works on Woodspring Avenue and Yonge Street in the Town of East Gwillimbury.

The non-growth component (user rate) of the works is provided for in the 2010 Water Capital Budget. The developer is entitled to recover the non-growth component of \$42,663 for the works.

6. LOCAL MUNICIPAL IMPACT

The proposed water meter chamber works will benefit the Town of East Gwillimbury in terms of supporting growth within the municipality. These water meter chamber works will also facilitate the buildout of lands in the Town of East Gwillimbury.

7. CONCLUSION

The DC credit request submitted by Harvest Hill Development Corporation and Minto Communities Inc. has been reviewed in accordance with the approved DC credit policy. It is proposed that subject to completion of the water meter chamber works to the satisfaction of the Commissioner of Environmental Services, the developer be eligible for a combined water DC credit of \$810,598 (95%) for the growth component and the combined non-growth cost recovery of \$42,663 (5%) from user rates.

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.)



SCHAEFFERS
CONSULTING ENGINEERS

Date: October 13, 2009
Our File: 2005-2836

REGIONAL MUNICIPALITY OF YORK
17250 Yonge Street
Newmarket, Ontario
L3Y 6Z1

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

Attention: Mr Steve Fung, P.Eng.

Dear Sir

RE: HARVEST HILLS SUBDIVISION (HHDC) – PHASE 1
TOWN OF EAST GWILLIMBURY

We are pleased to forward herewith our application for the Development Charge Credit for metering chamber at west side of Yonge Street for your review and approval.

The enclosed documents are:

1. Summary of Development Charge Credit
2. Contract price from Contractor (Excluding contingencies)
3. Change order from Contractor dated March 6, 2009

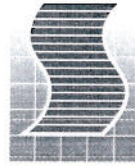
We trust the above is in order. However, should you need additional information, please do not hesitate to contact us

Yours truly,
SCHAEFFER & ASSOCIATES LTD.

Hacik Tozcu, P.Eng.
Director / Partner

HT/as

Cc: Harvest Hills Development Corporation - Attn: Mr. Alvin Young
Minto Communities Toronto Inc. - Attn: Mr. Vince Santino



Date: July 09, 2009
Our File: 2005-2836

REGIONAL MUNICIPALITY OF YORK
17250 Yonge Street
Newmarket, Ontario
L3Y 6Z1

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

Attention: Mr Steve Fung, P.Eng.

Dear Sir

**RE: HARVEST HILLS SUBDIVISION (HHDC) – PHASE 1
TOWN OF EAST GWILLIMBURY**

We are pleased to forward herewith our application for the Development Charge Credit for metering chamber at Woodspring Avenue for your review and approval.

The enclosed documents are:

1. Summary of Development Charge Credit
2. Contract price from Contractor (Excluding contingencies)
3. Change order for Paperless Chart Recorder
4. Change order for 'Hose Down' unit heater
5. Change order for reinforced concrete slab
6. Change order for Motion Sensor and
7. Invoice for temporary hydro pole
8. Change from temporary power supply to permanent power supply

We trust the above is in order. However, should you need additional information, please do not hesitate to contact us

Yours truly,
SCHAEFFER & ASSOCIATES LTD.

Hacik Tozcu, P.Eng.
Associate Director

HT/as

Cc: Harvest Hills Development Corporation - Attn: Mr. Alvin Young
Minto Communities Toronto Inc. - Attn: Mr. Vince Santino

Schaeffers Consulting Engineers
Woodspring and Yonge Street West Meter Chambers
Town of East Gwillimbury

	Total Cost	Regional Cost (DC Credit)	Developer Cost
a) Total estimated cost of works	\$948,208		
b) Amount of works not in ultimate Regional location	(\$94,947)		(\$94,947)
c) Amount eligible for Development Charge Credit (per Development Charge Credit Policy)	\$853,261		
- development charge component 95.00%	\$810,598	\$810,598	
d) Non-growth summary			
- non-growth component 5.00%	\$42,663		
Developer share of non-growth costs			
- present value of works constructed (works included in 10 year capital forecast)	\$0		\$0
Regional share of non-growth costs	\$42,663	\$42,663	
Total Share of Capital Costs		\$853,261	(\$94,947)

Developer Recovery Summary:

Total growth-related credit -	\$810,598
Total non-growth reimbursement -	\$42,663
	<u>\$853,261</u>

Summary:

Total Estimated Cost of Works	\$948,208
Regional Share (DC Credit)	\$853,261
Developer Share	(\$94,947)