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### **DEVELOPMENT CHARGE CREDIT REQUEST DRYNOCH ESTATES PHASE 4 WEST BATHURST STREET AT MILOS ROAD TOWN OF RICHMOND HILL**

**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 \$276,431 for the growth-related component (development charges) and a recovery of \$37,695 for the non-growth component (tax levy) of the proposed road works undertaken by Drynoch Estates Phase 4 West in the Town of Richmond Hill, 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 \$276,431 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 road works performed by Drynoch Estates Phase 4 West on Bathurst Street at Milos Road in the Town of Richmond Hill 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 9<sup>th</sup> and May 23<sup>rd</sup>, 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).

Drynoch Estates Phase 4 West has forwarded a request to the Region's Transportation Services Department for the consideration of DC credits for the road works on Bathurst Street at Milos Road in the Town of Richmond Hill (*Attachment 1*).

#### **4. ANALYSIS AND OPTIONS**

##### **Drynoch Estates Phase 4 West has requested a DC Credit of \$369,487**

Drynoch Estates Phase 4 West has developed a residential subdivision in the Town of Richmond Hill. In order to proceed with the development of the lands, the developer group was required to undertake road works on Bathurst Street at Milos Road in the Town of Richmond Hill in accordance with the planned reconstruction program at an estimated cost of \$369,487. These road works 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 road works totals 1,473 residential units**

The subject residential subdivision (19T-99007 Richmond Hill) benefiting from the road works is comprised of a total of 1,473 residential units. Buildout of this subdivision would result in regional development charges of approximately \$28.7 million of which \$10 million pertains to the roads component of the charge.

The Region's Transportation Services Department has reviewed the request submitted by Drynoch Estates Phase 4 West in accordance with the approved DC credit policy, and has determined that \$314,126 of the total value of the road works is eligible for consideration through the DC credit process (*Attachment 2*).

##### **Proposed total DC Credit of \$314,126 be permitted**

It is proposed that a payment of \$314,126 be permitted to Drynoch Estates Phase 4 West. The payment is comprised of \$276,431 (88%) for the growth component of the works and \$37,695 (11%) 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.

These road works were included in the Region's 10 year Capital Program and have been programmed prior to commencement of these works. In accordance with the DC credit policy, in order to advance the 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 when construction of the works is advanced prior to the timing proposed in the Region's 10 year capital program. As these road works were built to the ultimate location, Drynoch Estates Phase 4 West is entitled to recover \$37,695 of the non-growth component of the works.

Therefore, it is proposed that a reimbursement for the growth-related component of the works in the amount of \$276,431 (88%) and \$37,695 (12%) 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 \$37,695 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 works will benefit the Town of Richmond Hill in terms of improving traffic flow along the roadways of Bathurst Street and Milos Road. These road works also facilitate the buildout of the subdivision in the Town of Richmond Hill.

## **7. CONCLUSION**

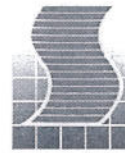
The DC credit request submitted by Drynoch Estates Phase 4 West has been reviewed in accordance with the approved DC credit policy. It is proposed that subject to completion of the road works, on Bathurst Street at Milos Road, to the satisfaction of the Commissioner of Transportation Services, the developer be eligible for a growth recovery of the roads DC credit of \$276,431 (88%) and a non-growth cost recovery of \$37,695 (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.)*

**Date:** June 14, 2010  
**Our File:** 2007-3097



**SCHAEFFERS**  
CONSULTING ENGINEERS

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**Attention:** Mr. Dan Terziewski

**RE: Application for Development Charge Credit**  
Bathurst Street at Milos Road  
Region File No. D19 03.008R  
Town of Richmond Hill, Regional Municipality of York

In response to Mr. Anwer Mumtaz's email dated June 07, 2010 and on behalf of our client, Zavala Development Inc., we are pleased to resubmit the following documentation requesting consideration for development charge credit for works completed on Bathurst Street at Milos Road for the above referenced project.

Please find enclosed the following:

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

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

Yours truly,  
**SCHAEFFER & ASSOCIATES LTD.**

Hacik Tozcu, P.Eng.  
Director/Partner

Cc: Mr. Alky Poulias – Zavala Development Inc. (Without attachment)

**Schaeffers Consulting Engineers**  
**Bathurst Street at Milos Road**  
**Town of Richmond Hill**

|                                     |                                                                                             | Total Cost | Regional Cost (DC Credit) | Developer Cost    |
|-------------------------------------|---------------------------------------------------------------------------------------------|------------|---------------------------|-------------------|
| a)                                  | Total estimated cost of works                                                               | \$369,487  |                           |                   |
| b)                                  | Amount of works not in ultimate Regional location                                           | (\$55,361) |                           | (\$55,361)        |
| c)                                  | Amount eligible for Development Charge Credit (per Development Charge Credit Policy)        | \$314,126  |                           |                   |
|                                     | - development charge component 88.00%                                                       | \$276,431  | \$276,431                 |                   |
| d)                                  | Non-growth summary                                                                          |            |                           |                   |
|                                     | - non-growth component 12.00%                                                               | \$37,695   |                           |                   |
|                                     | <u>Developer share of non-growth costs</u>                                                  |            |                           |                   |
|                                     | - present value of works constructed<br><i>(works included in 10 year capital forecast)</i> | \$0        |                           | \$0               |
|                                     | <u>Regional share of non-growth costs</u>                                                   | \$37,695   | \$37,695                  |                   |
| <b>Total Share of Capital Costs</b> |                                                                                             |            | <b>\$314,126</b>          | <b>(\$55,361)</b> |

**Developer Recovery Summary:**

|                                  |                  |
|----------------------------------|------------------|
| Total growth-related credit -    | \$276,431        |
| Total non-growth reimbursement - | \$37,695         |
|                                  | <u>\$314,126</u> |

**Summary:**

|                               |            |
|-------------------------------|------------|
| Total Estimated Cost of Works | \$369,487  |
| Regional Share (DC Credit)    | \$314,126  |
| Developer Share               | (\$55,361) |