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DEVELOPMENT CHARGE CREDIT REQUEST ARMERIA INVESTMENTS LTD. BATHURST STREET/SUMMERIDGE DRIVE INTERSECTION CITY OF VAUGHAN

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, May 7, 2004, from the Commissioner of Finance:

1. RECOMMENDATIONS

It is recommended that:

1. Council authorize a development charge (“DC”) credit in the amount of \$160,197 (81%) for the growth-related component (development charges) and a recovery of \$36,423 (19%) for the non-growth component (tax levy) of proposed road works undertaken by Armeria Investments Ltd. in the City of Vaughan, subject to completion of the works to the satisfaction of the Commissioner of Transportation and Works.
2. Staff be authorized to fund the growth component of the development charge credit regarding Bathurst Street/Summeridge Drive Intersection totaling \$160,197 from the Regional roads Development Charges previously collected pertaining to the Armeria Investments Ltd residential subdivision prior to approval of the road credits.

2. PURPOSE

The purpose of this report is to authorize a development charge credit for road works performed by Armeria Investments Ltd. along Bathurst Street at the Summeridge intersection in the City of Vaughan 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

3.1 DC Credit Policy

At its May 9 and May 23, 1996 meetings, Regional Council approved a detailed development charge credit policy for capital works undertaken by the developer in advance of the planned reconstruction program (subsequently amended June 23, 2003 as part of the passing of Regional Development Charge By-law No. DC-0005-2003-050).

Armeria Investments Ltd. has forwarded a request for the consideration of DC credits for road intersection improvements on Bathurst Street at the Summeridge Drive intersection in the City of Vaughan (*see Attachment 1*).

4. ANALYSIS AND OPTIONS

4.1 Development Charge Credit Request

Armeria Investments Ltd. has developed a residential subdivision in the City of Vaughan. In order to proceed with the development of the lands, the developer was required to undertake road improvements along Bathurst Street in the City of Vaughan in advance of the planned reconstruction program at an estimated cost of \$375,749. The road improvements in the City of Vaughan have been incorporated in year 2012 of the Region's 10 year Capital Program.

5. FINANCIAL IMPLICATIONS

5.1 Development Charge Credit – Summeridge Intersection

The subject subdivision (19T-89037 East) is comprised of approximately 516 residential units. Buildout of this phase of the subdivision has resulted in regional development charges received of approximately \$4.4 million, of which \$1.6 million pertains to the roads component of the charge.

The Regional Transportation and Works Department has reviewed the request submitted by Armeria Investments Ltd. in accordance with the approved DC credit policy, and has determined that \$209,407 of the total value of the road works is eligible for DC credit (*see Attachment 2*).

In accordance with the DC credit policy, in order to advance the road works from its planned construction timing in year 2012 of the Region's 10 year capital program, the developer will be responsible for a share of the non-growth component of the works. Attachment 3 outlines the non-growth discounting methodology associated with this request.

It is proposed that a DC credit be permitted for the growth-related component of the works in the amount of \$160,197 (81%), and \$36,423 (19%) for the non-growth component. Regional Transportation & Works Department has confirmed that Summeridge Intersection is constructed in its ultimate location. As the road DC for this subdivision have been paid in full, it is recommended that the growth-related component (development charges) of the DC credit is to be funded from development charges

collected from the developer prior to approval of these road DC credits. The developer has been contacted and is in agreement with the credit amount.

6. LOCAL MUNICIPAL IMPACT

The proposed road improvements will benefit the City of Vaughan in terms of improving traffic flow along Bathurst Street. These improvements have also facilitated the buildout of the subdivision in the City of Vaughan.

7. CONCLUSION

The DC credit request submitted by Armeria Investments Ltd. has been reviewed in accordance with the approved DC credit policy. It is proposed that, subject to the satisfaction of the Commissioner of Transportation and Works, the developer be eligible for a roads DC credit of \$160,197 (81%) and a non-growth cost recovery of \$36,423 (19%) from tax levy.

The Senior Management Group has reviewed this report.

(A copy of the attachment referred to in the foregoing is included with this report and is also on file in the Office of the Regional Clerk.)