

## 2

### **DEVELOPMENT CHARGE CREDIT REQUEST WYKLAND ESTATES INC. (CORNELL) HIGHWAY 7 AND BUR OAK AVENUE TOWN OF MARKHAM**

**The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report from the Commissioner of Finance.**

#### **1. RECOMMENDATIONS**

It is recommended that:

1. Council authorize a development charge (“DC”) credit in the amount of \$592,404 (88%) for the growth-related component and a payment of \$80,782 (12% non-growth component) of the proposed road works undertaken by Wykland Estates Inc. (Cornell) in the Town of Markham, subject to completion of the works to the satisfaction of the Commissioner of Transportation Services, and
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 improvements performed by Wykland Estates Inc. (Cornell) for the intersection of Highway 7 and Bur Oak Avenue in the Town of Markham in advance of the construction timing projected in the Regional Roads Capital Program.

#### **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 23, 2003 as part of the passing of Regional DC By-law No. DC-0005-2003-050).

Wykland Estates Inc. (Cornell) has forwarded a request for the consideration of DC credits for intersection works at Highway 7 and Bur Oak Avenue in the Town of Markham (Attachment 1).

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

##### **Wykland Estates Inc. (Cornell) intersection DC credit request**

Wykland Estates Inc. (Cornell) has developed a residential subdivision in the Town of Markham. In order to proceed with the development of the lands, the developer group was required to undertake intersection improvements work at Highway 7 and Bur Oak Avenue in the Town of Markham in accordance with the planned reconstruction program at an estimated cost of \$807,795.

Discussions as to the development charge agreement amount were carried out between the client and Regional staff. 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 works totals approximately 480 residential units**

As part of the community planning for the Cornell Area, the Town of Markham Council required that the intersection improvements performed by Wykland Estates Inc. (Cornell) were to be completed prior to receiving Draft Approval of their lands. As a result, the intersection works completed do not specifically relate to a subdivision and the lands benefiting from the works comprises of a greater area than the lands and more than 480 residential units owned by Wykland Estates Inc. (Cornell). Buildout of this phase of the subdivision will result in regional development charges of approximately \$10 million of which \$3.5 million pertains to the roads component of the charge.

The Regional Transportation Services Department has reviewed the request submitted by Wykland Estates Inc. (Cornell) in accordance with the approved DC credit policy, and has determined that \$673,186 of the total value of the road works is eligible for DC credit (Attachment 2).

##### **Proposed total DC Credit of \$673,186 be permitted**

It is proposed that a DC credit be permitted for the growth-related component of the works in the amount of \$592,404 (88%). The growth-related component of the DC credit is to be funded from future Regional roads DC credits otherwise payable at the time of subdivision registration, subject to completion of the works to the satisfaction of the Commissioner of Transportation Services.

The intersection improvements at Highway 7 and Bur Oak Avenue in the Town of Markham were carried out in accordance with the Region's Transportation Master Plan beyond the Ten Year Roads Program and were built to the ultimate location. As a result, the developer is entitled to recover \$80,782, the non-growth component of the works. 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 2009 Roads Capital Budget. The combined year to date (for 2009) cumulative impact of the non-growth component of DC Credits proposed and/or approved by Finance and Administration Committee and Council is \$196,318.

## **6. LOCAL MUNICIPAL IMPACT**

The proposed road improvements will benefit the Town of Markham in terms of improving traffic flow along the roadway of Highway 7 and Bur Oak Avenue. These improvements also facilitate the buildout of the subdivision in the Town of Markham.

## **7. CONCLUSION**

The DC credit request submitted by Wykland Estates Inc. (Cornell) has been reviewed in accordance with the approved DC credit policy. It is proposed, subject to satisfactory completion of the intersection improvement works on at Highway 7 and Bur Oak Avenue that the developer be eligible for a roads DC credit of \$592,404 to be funded from the Regional roads DC otherwise payable at the time of subdivision registration and a non-growth cost recovery of \$80,782 from tax levy.

For more information on this report, please contact Kelly Strueby, Director of Business Planning and Budgets at ext. 1611 and Beth Kodama Manager of Capital and Development Financing.

The Senior Management Group has reviewed this report.

*(The two attachments referred to in this clause are attached to this report.)*