



Report to: General Committee

Date Report Authored: May 19, 2015

SUBJECT: Development Charges Credit Application – Angus Glen Village Ltd.

PREPARED BY: Kevin Ross, Manager, Development Finance, ext. 2126
Eugene Chen, Capital Works Administrator, ext. 2451

RECOMMENDATION:

- 1) That the report entitled “Development Charges Credit Application – Angus Glen Village Ltd.” be received;
- 2) That Council authorize a City Wide Hard Development Charge credit for \$705,459.25, to Angus Glen Village Ltd. relating to the construction of a bridge over Bruce Creek connecting the East and West Villages in the Angus Glen community;
- 3) That the Mayor and Clerk be authorized to execute a Development Charge Credit Agreement, if required, in accordance with the City’s Development Charge Credit and Reimbursement Policy, with Angus Glen Village Ltd., or their successors in title to the satisfaction of the Treasurer and City Solicitor;
- 4) And that staff be directed to do all things necessary to give effect to this report.

EXECUTIVE SUMMARY:

Not applicable.

PURPOSE:

The purpose of this report is to obtain Council’s authorization to grant City Wide Hard (CWH) development charge credits, in accordance with the City’s Development Charge Credit and Reimbursement Policy, to Angus Glen Village Ltd. (“Angus Glen”) for an amount not exceeding \$705,459.25.

The requested reimbursement relates to the construction cost for the building of a bridge along Angus Glen Boulevard to connect the East and West Angus Glen Villages (see Appendix A). The cost of the bridge is included in the 2013 Development Charges Background Study.

BACKGROUND:

The Angus Glen subdivision included a plan for a bridge crossing at Bruce Creek to connect the eastern and western sections of the subdivision i.e. the Angus Glen East Village and West Village. The bridge, which forms a section of the minor collector road network, is a

requirement of the transportation study to facilitate traffic flow throughout the subdivision, and onto the major arterial roads of Kennedy Road and Major Mackenzie Drive East. The bridge is completed and is now opened to vehicular and pedestrian traffic.

The 2008 and 2013 Development Charges (DC) Background Studies included a policy where a share of the cost of a local bridge, that is deemed to provide a city-wide benefit, may be recovered through the CWH charge, up to a maximum of 25%. The DC studies therefore included a portion of the cost of some local bridges across the City, where it was determined that a city-wide benefit will be derived from their construction; this included the Angus Glen bridge.

OPTIONS/DISCUSSION:

Given that a portion of the cost of the Angus Glen bridge was included in the 2013 Development Charges Background Study, Angus Glen made an application for CWH development charge credits for the construction of the bridge.

In conformance with the City's Development Charges Credit and Reimbursement Policy ("Policy"), credits and/or reimbursements are to be limited to the lesser of the amount included in the DC Background Study and the actual cost of the infrastructure. In this instance, Angus Glen is eligible for DC credits and/or reimbursement for up to 25% of the eligible capital cost (i.e. lesser of DC Background Study cost and actual cost).

Angus Glen has agreed to recoup the cost through credits that will be applied to their future developments.

Amount Eligible for Credits

The cost included in the 2013 DC Background Study for the bridge is \$2,821,837 which is comprised of the construction cost, as well as miscellaneous (soft) costs such as design and contract administration. The actual construction cost of the bridge, based on final documentation received from Angus Glen is \$3,667,071; this excludes miscellaneous costs such as design and contract administration. In accordance with the City's Policy, Angus Glen will be eligible for credits based on the cost of \$2,821,837 (i.e. lesser of DC Background Study cost and actual cost).

Based on the bridge's ability to facilitate traffic flow unto the major arterial roads of Kennedy Road and Major Mackenzie Drive East, staff support the reimbursement of 25% of the cost through DC credits.

As such, Angus Glen is eligible for DC credits based on the cost of \$2,821,837 which translates into a value of \$705,459.25 (25% of \$2,821,837) as per the table below.

Infrastructure	Details	Cost in 2013 DC Background Study	Developer's Actual Cost	Recommended Value for DC Credit	Percentage Recoverable through CWH	Recommended CWH DC Credit
City Wide Bridge/crossing Projects	Minor Collectors	\$ 2,821,837	\$ 3,667,071	\$ 2,821,837	25%	\$ 705,459.25

As per the City's Policy, credits and/or reimbursements over \$500,000 require the approval of Council. Seeing that the developer is eligible for CWH credits in excess of \$500,000, staff are recommending that Council approve DC credits totalling \$705,459.25 to Angus Glen, for partial recovery of their cost incurred in the construction of the bridge over Bruce Creek.

The City is empowered to enter into credit/reimbursement agreements by Section 38(1) of the *Development Charges Act, 1997* which provides as follows:

"If a municipality agrees to allow a person to perform work that relates to a service to which a development charge by-law relates, the municipality shall give the person a credit towards the development charge in accordance with the agreement."

Development charge credits and reimbursements have been used in a number of development applications to facilitate the construction of infrastructure in advance of the City's capital program.

Angus Glen has been consulted regarding the amount and timing of the credits and they are in agreement with the recommendations in this report.

York Downs Share of the Angus Glen Bridge

When the Angus Glen bridge was conceptualized and traffic studies prepared, it was determined that the York Downs community to the south will derive some benefit from the structure. As a result, a proportionate share of the cost inclusive of construction, design and contract administration was included in the Area Specific DCs for the York Downs Area (Area 47B).

Angus Glen has submitted the final cost for the design, construction and contract administration of the bridge. Whereas the construction cost of the bridge has been verified by City staff, the other additional costs (e.g. design and contract administration) are still under review. Staff will complete the final review of the cost related to the project and will endeavour to update the York Downs ASDC, to add in the incremental cost, in the next DC Background Study due by May 2018.

Financial Security

The City is holding securities for this infrastructure work to cover the two year warranty period, in compliance with all the City's standards for design and construction, under the Amended Subdivision Agreement with Angus Glen Village Limited dated July 29th, 2008.

FINANCIAL CONSIDERATIONS:

There is no net financial impact to the City. Development charge credits are provided to developers in exchange for the construction of works included in the City's Development Charges Background Study, in compliance with the Policy.

The Engineering Department has reviewed the scope and actual construction cost of the works provided by Angus Glen and these are in alignment with the City's expectations.

Consistent with the City's Policy, Angus Glen will be required to pay an administration fee for the Engineering, Legal and Finance Department's costs incurred relating to the review, preparation and administration of the development charges credit. The fee is structured in the following manner:

- An application fee of \$1,000 plus HST to review the development charge credit request; plus
- A fee equivalent to 1.0% of the value of the credit request amounting to \$7,054.60 plus HST, payable upon the credits being provided for the approved amounts.

HUMAN RESOURCES CONSIDERATIONS:

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

This is consistent with the City's goal of efficient service delivery.

BUSINESS UNITS CONSULTED AND AFFECTED:

The Legal Services Department has reviewed this report.

RECOMMENDED BY:

11/06/2015

X 

Joel Lustig
Treasurer

11/06/2015

X 

Alan Brown
Director, Engineering

11/06/2015

X 

Trinela Cane
Commissioner, Corporate Services

11/06/2015

X 

Jim Baird
Commissioner, Development Services

ATTACHMENT:

[Appendix A – Angus Glen Bridge](#)