



Report to: General Committee

Report Date: April 23, 2012

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<b>SUBJECT:</b>	Development Charge Reimbursement – Box Grove Developers Group Inc.
<b>PREPARED BY:</b>	Kevin Ross, Manager, Development Finance, Ext. 2126

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**RECOMMENDATION:**

- 1) That the report entitled “Development Charge Reimbursement – Box Grove Developers Group Inc.” be received;
- 2) That Council authorize Town Wide Hard Development Charge reimbursement for the lesser of \$573,813 (the amount included in the 2008 Development Charge Background Study) and the actual cost of the infrastructure (currently estimated at \$555,043) to Box Grove Developers Group Inc., for the construction of sidewalks and illumination on the Box Grove Collector Road (future Don Cousens Parkway);
- 3) That the Mayor and Clerk be authorized to execute a Development Charge Reimbursement Agreement in conjunction with the Box Grove Collector Road & 14<sup>th</sup> Avenue Realignment Construction and Reimbursement Agreement dated March 2, 2012 with Box Grove Developers Group Inc.;
- 4) That the Development Charge Reimbursement Agreement be prepared in accordance with the Town’s Development Charge Credit and Reimbursement Policy, with Box Grove Developers Group Inc. or their successors, to the satisfaction of the Treasurer and Town Solicitor;
- 5) 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, in accordance with the Town’s Development Charge Credit and Reimbursement Policy, to grant Town Wide Hard Development Charge reimbursements, not exceeding \$573,813 for the construction of sidewalks and illumination on the Box Grove Collector Road (future Don Cousens Parkway) to the Box Grove Developers Group Inc.

Council’s authorization is required as the amount to be reimbursed exceeds the approval authority (credits and/or reimbursements less than \$500,000) of the Treasurer.

**BACKGROUND:**

The Box Grove Developers Group Inc., pursuant to the terms of a 2008 Memorandum of Understanding with the Town, Region and Landowners Group, undertook the construction of the Box Grove Collector Road (future Donald Cousens Parkway - DCP) from Highway 407 to the Ninth Line By-Pass (Appendix A).

The DCP was identified in the Box Grove Secondary Plan as a Town arterial road to service the local transportation needs and is ultimately anticipated to be a Regional road, subject to the outcome of the DCP to Morningside Avenue Link Individual Environmental Assessment (IEA). The Town and the Region have agreed to the terms for the construction of the DCP with both jurisdictions being responsible for the cost of the works included in their respective Development Charges Background Studies. The Region will proceed with the completion of the DCP from the Ninth Line By-Pass to Morningside Avenue Link after approval of the IEA.

The Box Grove Developers Group Inc. (the Group) has up-front financed and completed the construction of the Box Grove Collector Road, which is now open to vehicular traffic, and are now seeking to recover the Town portion of the costs for the illumination and sidewalks along the road. The Group has exhausted their development in the area and has no means with which to receive development charge (DC) credits, as such, they are seeking a development charge reimbursement from the Town Wide Hard Reserves, where the works are included and being recovered.

Portions of the illumination and sidewalk costs from Highway 407 to 14<sup>th</sup> Avenue (Stage 1) were reimbursed by way of DC credits to Box Grove Hill Developments Inc. and Box Grove North Inc. as a part of their subdivision agreement for phases 2B1 and 2B2. The Group, Box Grove Hill Developments Inc. and Box Grove North Inc. agreed to reconcile the development charge credits internally through their cost sharing agreement.

Staff have agreed that a DC reimbursement can be provided to the Group for the remaining cost of the illumination and sidewalks, for portions of the Box Grove Collector Road from Highway 407 to 14<sup>th</sup> Avenue and from the 14<sup>th</sup> Avenue realignment to the Ninth Line By-pass (Stage 2). The reimbursement will be in accordance with the Council approved Development Charge Credit and Reimbursement Agreement Policy.

The works, highlighted in Attachment A, and as described above, are included in the Town's 2008 Town Wide Hard Development Charge By-law. The estimated cost of the Stage 1 and 2 works is currently \$1,024,636 and with the Group having already received DC credits of \$469,593 on the phase 2B1 and 2B2 subdivision agreement, the balance due on the works is \$555,043.

<b>Illumination and Sidewalks</b>	<b>Estimated Cost</b>
Highway 407 to 14th Avenue (Stage 1)	\$696,217
14th Avenue Realignment to Ninth Line (Stage 2)	\$328,419
<b>Total Estimated Cost</b>	<b>\$1,024,636</b>
DC Credits for Phases 2B1 and 2B2	(\$469,593)
<b>Recommended DC Reimbursement</b>	<b>\$555,043</b>

The development charge reimbursement will be limited to the lesser of \$573,813 (the amount included in the 2008 DC Background Study) and the actual cost of the infrastructure which is estimated at \$555,043 to be verified by the Engineering department.

Section 38(1) of the *Development Charges Act, 1997* 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/or reimbursements have been used in a number of development applications to facilitate the construction of infrastructure in advance of the Town’s capital program. The developer will comply with all the Town’s standards for design and construction.

Staff support this request for Town Wide Hard development charge reimbursement in conformance with the Town’s Development Charge Credit and Reimbursement Policy.

## **FINANCIAL CONSIDERATIONS**

There is no net financial impact to the Town. Development Charge credits and/or reimbursements are provided in exchange for the construction of the works included in the Town’s Development Charge By-law by the developer.

## **HUMAN RESOURCES CONSIDERATIONS**

Not Applicable.

## **ALIGNMENT WITH STRATEGIC PRIORITIES**

The completion of the Box Grove Collector Road from Highway 407 to Morningside Avenue is an important component of the transportation network to service the growth in Box Grove. The collector road provides the transportation capacity for the development of the Box Grove community which aligns with Markham’s strategic focus of Growth

Management and Transportation / Transit by providing an alternative route and alleviating traffic congestion in the area.

**BUSINESS UNITS CONSULTED AND AFFECTED:**

The Finance, Engineering and Legal Services Departments have reviewed this report.

**RECOMMENDED BY:**

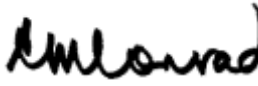
24/05/2012

X 

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Joel Lustig  
Treasurer

22/05/2012

X 

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Catherine M. Conrad  
Town Solicitor