



Report to: General Committee

Report Date: June 3, 2013

SUBJECT: 2013 Development Charges Update – Area Specific
PREPARED BY: Kevin Ross, Ext 2126

RECOMMENDATION:

- 1) THAT the report on the “2013 Development Charges Update – Area Specific” be received;
- 2) THAT no further public meeting is required under Section 12 of the *Development Charges Act, 1997*;
- 3) THAT it is Council’s intent to ensure that the increase in the need for services to service anticipated development will be met;
- 4) THAT Council recognizes that there are operating costs associated with the implementation of the capital program;
- 5) THAT Council approve the enactment of the Area Specific development charges by-laws for Area 9, 42B-6 and 42B-8 effective on June 18th, 2013;
- 6) THAT these recommendations including the implementing by-laws be forwarded to the June 17th, 2013 Council meeting for adoption; and
- 7) THAT staff be directed to do all things necessary to give effect to this report.

EXECUTIVE SUMMARY:

Markham’s previous Area Specific Development Charges (ASDC) by-laws were set to expire on June 23rd, 2013 and in a report to General Committee on May 27th, 2013, new 2013 ASDC by-laws were referred to Council for approval.

SCS Consulting Group Ltd., on behalf of the North Markham Avenue 7 Developers Group, submitted a letter dated May 24th, 2013 and made a deputation to General Committee on May 27th, 2013 requesting a revision to the ASDCs for Areas 9, 42B-6 and 42B-8. This request was made to facilitate the inclusion of increased costs precipitated by changes to the design of required infrastructure benefiting the aforementioned areas. On staff’s recommendation, General Committee deferred the approval of the three aforementioned ASDCs in order to provide the opportunity for further review of the costs associated with the areas.

The resubmitted infrastructure costs have been reviewed by staff and the new ASDC rates which are derived from the aforementioned costs, have been agreed upon by the North Markham Avenue 7 Developers Group.

In staff's view, the proposed development charges and by-laws are based on City policies and established service levels which the City intends to maintain, and comply with the applicable legislation.

PURPOSE:

The purpose of this report is to update the Area Specific Development Charges for Areas 9, 42B-6 and 42B-8 and to obtain General Committee's approval to forward the revised Development Charge rates and Development Charge by-laws to Council on June 17th, 2013 for approval.

BACKGROUND:

The review of the ASDC by-laws commenced in 2012 in order to have new by-laws in place by their expiry date on June 23rd, 2013. Throughout the review process, staff held consultative meetings with the development industry and responded to the industry's concerns while providing updates to the General Committee.

The draft Background Study and by-laws were prepared and the legislated public meeting held on May 13th, 2013 where developers were provided with a forum to raise any concerns about the proposed development charges and policy changes.

The development charges by-laws included in the 2013 Background Study were taken to Council for approval on May 27th, 2013 however due to changes in the most recent available infrastructure costs, SCS Consulting Group Limited requested that ASDC 9, 42B-6 and 42B-8 be revised to accommodate these more accurate costs. Staff had met with representatives of the North Markham Avenue 7 Developers Group during the preparation of the ASDC by-laws and worked with their consultant, SCS Consulting, to determine the type, cost and scope of infrastructure required for the benefitting lands.

The requested changes relate to the costs associated with the storm sewer and stormwater management (SWM) pond and the Village Parkway reconstruction. Updated cost estimates were submitted by SCS Consulting to substantiate the revision request.

Storm Sewer and Stormwater Management Pond

In order for development to occur along Village Parkway, the storm sewer and stormwater management (SWM) pond are required; they benefit the lands in the three ASDCs to varying degrees and the costs are therefore not shared equally. The costs included in the background study for these works are to be increased from \$4,514,029 to \$5,215,384 (an increase of \$701,355) due to the availability of more current costs for the storm sewer and a revision to the design of the pond to eliminate the onsite erosion control storage.

Village Parkway Reconstruction

These costs relate to the turning circle, bike lanes and third lane along Village parkway which are included in the background study based on an Ontario Municipal Board settlement. The amounts included in the calculated rates submitted to General Committee on May 27th, 2013 are now being revised to accommodate feedback from City staff. The costs are therefore being increased from \$455,678 to \$651,212 (an increase of \$195,534).

Engineering staff reviewed the revised cost estimates submitted by SCS Consulting and the ASDC by-laws and rates were then updated to reflect this most current information. The 2013 Background Study will be revised to include these updates subsequent to Council approval.

FINANCIAL CONSIDERATIONS

Revised Development Charges

The chart below outlines the proposed charges as included in the report to General Committee on May 27th, 2013 and the revised charges which are as a result of the update to in cost of the SWM pond, storm sewer and Village Parkway reconstruction.

Area Name	Area	Total ASDC Recoverable	Land Area (Ha)	Revised ASDC Charge \$/ha	May 27, 2013 ASDC Charge \$/ha
PD 1-7	9	\$9,978,626	13.465	\$741,093	\$681,288
Markham Centre - South Hwy 7	42B.6	\$9,205,015	8.830	\$1,042,471	\$1,043,845
Markham Centre - Sciberras	42B.8	\$5,121,715	16.929	\$302,546	\$293,764

Staff recommend the approval of the revised ASDC by-laws and rates for areas 9, 42B-6 and 42B-8.

Additional Information

Staff note that in addition to the expected increases in the capital costs for the projects included in each area specific development charge by-law, there will be a larger than expected increase in the cost of the Highway 7 sanitary sewer (shared between areas 9, 42B-6 and 42B-8). This results from a dispute between the developer, 1771107 Ontario Inc. ("Times"), and the general contractor for the project which is currently the subject of a commercial arbitration process. The final costs will not be known until this dispute is either settled through mediation or the arbitration is complete and a decision is rendered.

Times constructed the Highway 7 sanitary sewer on behalf of the City, and has provided the City with an indemnity for all costs relating to the defense of the relevant area specific by-laws.

ENVIRONMENTAL CONSIDERATIONS:

Not applicable.

ACCESSIBILITY CONSIDERATIONS:

Not applicable.

ENGAGE 21ST CONSIDERATIONS:

Not applicable.

BUSINESS UNITS CONSULTED AND AFFECTED:

Legal Services.

RECOMMENDED BY:

06/06/2013

06/06/2013

X 

Mark Visser
Acting Treasurer

X 

Trinela Cane
Commissioner, Corporate Services