

ROAD WORKS
DEVELOPMENT
CHARGE
CREDIT

A Guideline for Applicants



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ROAD WORKS DEVELOPMENT CHARGE CREDIT GUIDELINE

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1.0 Introduction

The Development Charge (DC) Credit Guideline 2002 has been prepared in accordance with the Regional Development Charge Credit policy adopted by Regional Council in May 1996, as amended June 1998 (Appendix A). The authority to provide a development charge credit is established pursuant to the Regional Development Charge By-law and the Development Charges Act, 1997. The purpose of the DC Credit Guideline is to describe the York Region road works development charge credit review process for potential applicants.

The Road Works Development Charge Credit Guideline has been developed by the Regional Municipality of York to achieve the goals of high quality customer service and an efficient, simplified process.



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2.0 Request Process

2.1 Overview

Regional policy permits financial credit to be given towards a development charge in exchange for work related to a service for which a development charge is imposed under the Regional Municipality of York Development Charge By-law. Regional Council permits such a credit subject to approval.

2.2 Submission Requirements

An applicant forwards the Road Works Development Charge Credit submission package to the Transportation and Works Department at the final engineering submission stage or once there is agreement on the conditions required for initial development approval by York Region.

There are no retroactive development charge credit provisions for works constructed by an applicant without Regional Council approval.

A complete submission package includes:

2.2.1 Request Letter

An applicant is required to submit a written request to the Transportation and Works Department requesting consideration of a road works development charge credit. A copy of this letter should be forwarded to the Finance Department. *(Appendix B)*

2.2.2 Calculations

Detailed and clear calculations for all earthwork and road works quantities are required in a spreadsheet format. The Regional Municipality of York requires that calculations be in Microsoft Excel compatible format. *(Appendix C)*

2.2.3 Quantity and Cost Summary

A summary of standard items that are eligible for credit using the Region's Development Charge Credit Average Unit Costs chart will be provided. *(Appendices D and E)*

2.2.4 New Construction Drawings

Detailed plans must be provided that show new construction, as well as relocations and removals. These drawings must bear the stamp of a Professional Engineer. *(Appendix F)*

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2.2.5 **Electrical Drawings**

Detailed plans must show permanent traffic control signals and illumination.
(Appendix G)

2.2.6 **Pavement Marking Drawings**

Detailed plans must show new pavement markings and symbols. (Appendix H)

2.2.7 **Cross-sections**

A complete set of cross-sections at a minimum of 20 metre stations will be provided. If the earthwork is significant, cross-sections may be required at 10 metre stations. Areas of the materials used shall be shown on each individual cross-section.



Staff members of the Regional Municipality of York will work with applicants to refine their submission when reasonable. Submissions not meeting Regional format requirements will be returned for resubmission. The DC credit submission can be provided to the Region in electronic format. When doing so, drawings must be provided in AutoCad 2002.

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3.0 Qualifications and Eligibility

3.1 Overview

The Regional Municipality of York will evaluate submissions to determine if capital works are eligible for a road works development charge credit. Each submission will be reviewed to confirm the accuracy of quantities, calculations and cross-sections, and to ensure the eligibility of each item. Staff of the Transportation and Works Department will inspect the works to ensure completion to York Region standards.

Development charge credits will be considered for:

- i. the construction of intersection improvements
- ii. complete road section construction
- iii. utility relocations (Regional share of the costs)
- iv. improvements to the water and/or wastewater system within Regional rights-of-way
- v. engineering costs

Development charge credits will not be considered for:

- i. purchase cost of land
- ii. general project management, co-ordination or administration
- iii. construction contingencies
- iv. road improvements required for the exclusive use of a private entrance including new signals or signal alterations, turning lanes, etc.

3.2 Programmed Road Work

Major capital infrastructure forecasts are set out in Master Plans that relate to the anticipated servicing needs of our mature communities. These plans are approved in principle by Regional Council and are updated annually. An updated Transportation Master Plan will be considered by Regional Council in 2002.

Road works included in the Master Plan and in the shorter-term document, the 10 Year Capital Plan are outlined in the Regional Development Charge By-law. Only those works described in the Development Charge By-law are eligible for development charge credit consideration.

When work is performed on a road that is described in the 10 Year Capital Plan, credit will only be considered for work that is in its ultimate location and deemed salvageable at the time of the next programmed up-grade or reconstruction. Items such as surface asphalt, pavement markings, shoulder work and earthworks involving ditch relocation will not be eligible for credit because they will be removed or are not a benefit to York Region at the next planned improvement or reconstruction.

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3.3 **Non-programmed Road Work**

For sections of road where work is not programmed in the York Region 10 Year Capital Plan, but is included in the Development Charge By-law, the value of work immediately beneficial for the function of a section of road or intersection, would be considered to be eligible for credit.

Improvements such as surface asphalt, pavement markings, shoulder work and illumination will be given credit only if considered by the York Region to be beneficial to the function and safety of the area of work.

3.4 **Storm Sewers**

Storm sewer construction to accommodate flows that is exclusively in the Region of York right-of-way (ROW) shall be 100% eligible for credit if sized properly and in its ultimate location. Storm sewer construction located in the York Region right-of-way that accommodates flows from drainage areas external to the ROW may be eligible for credit if sewers are up-sized to handle all future flows and in their ultimate location. However, to be eligible for credit the value of the storm sewer work will be determined on a proportionate basis using a ratio of external to right-of-way flows.

3.5 **Electrical**

Underground systems for future traffic control signals and illumination will be eligible for credit if the underground plant and above-ground furniture are in their ultimate location. The value of those electrical items that may not be in their ultimate location but are deemed salvageable and can be relocated at the time of the next planned up-grade may also be eligible for credit. Temporary traffic systems and illumination will not be eligible for credit.

3.6 **Pavement Markings**

Permanent pavement markings that include paint, durable, durable inlaid and symbols are eligible for credit if placed in the ultimate location. It should be noted that no credit will be considered if the next programmed up-grade for the section of road to which the pavement markings are being installed is in the 10 Year Capital Plan and has been identified that the pavement markings will not be salvageable due to widening or alterations to the surface asphalt.

If the road section is not intended for up-grade in the 10 Year Capital Plan but is included in the Development Charge By-law, all pavement markings that benefit the function and operation of that section of road will be considered for credit.

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3.7 **Unit Costs**

The review process is standardized wherever possible, and applicants can be assured all submissions are reviewed in a consistent and comprehensive manner.

Average unit prices will be determined by the lowest three (3) bidders from the previous years intersection improvement contracts of the same scale. These unit costs will be available on the York Region website (www.region.york.on.ca) and will be updated annually.

York Region recognizes an applicant may suggest that individual items or costs be considered for credit. It is the responsibility of the applicant to demonstrate benefit to York Region and the application must be supported by documents that establish clear and compelling evidence of the amount that should be considered for credit.

3.8 **Changes/Addenda**

In the event that a change or an addendum to the submission is needed during construction, it is the responsibility of the applicant to demonstrate with as-built drawings the actual location, extent and justification of any change that may warrant the credit amount to exceed what was agreed to. If the applicant does not notify York Region of changes to the scope of work, the applicant will assume the risk of a credit reduction or refusal.

In the event where a change or addendum would increase the amount eligible for credit, Regional Council approval is required.

3.9 **Engineering Fees**

York Region will allow a 10% Engineering Fee to be applied to the total eligible amount. The 10% Engineering Fee will not be applied to the York Region portion of any utility fees.

3.10 **Goods and Services Tax**

The Regional Municipality of York will allow the applicant to apply for 3% Goods and Services Tax on the total eligible amount.

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4.0 Development Charge Credit Recovery

4.1 Approval for Credit

Once the eligible development charge credit amount has been determined, the Transportation and Works Department will notify the Finance Department. Where the works are being constructed in advance of the Regional capital program, the applicant may be required to make a contribution toward the non-growth component of the capital costs. The non-growth related costs will be discounted if the eligible capital works are included in the 10 Year Capital Plan and are advanced to the current budget year. If the eligible capital works are not included in the 10 Year Capital Plan, the applicant will be required to make a non-recoverable contribution for the full value of the non-growth costs.

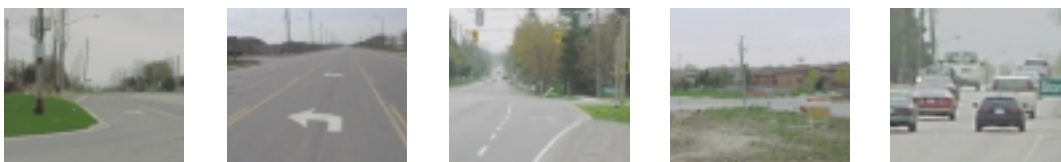
The Finance Department will notify the applicant of the eligible credit amount and report to Regional Council to seek approval of the credit. Regional Council must approve the DC credit amount before it can be applied to an application and prior to the undertaking of the works. Any construction of the subject works prior to Regional Council approval is at the risk of the applicant.

4.2 Recovery of Costs

With Regional Council approval and subject to completion of the capital works to the satisfaction of the Commissioner of Transportation and Works, the eligible development credit will be processed as follows:

- a) the growth component of the development charge credit will be applied against future development charges otherwise payable at subdivision registration; and,
- b) the non-growth component of the development charge credit (if applicable) will be reimbursed directly to the applicant.

A cost-recovery fee equivalent to 1.0% of the value of the capital works (minimum \$1,000), to a maximum of \$10,000 will be applied to each credit request. This fee will be deducted from the amount reimbursed to the applicant.



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