



City of
Peterborough

To: Members of the General Committee

From: Sandra Clancy, Director of Corporate Services

Meeting Date: February 5, 2018

**Subject: Report CPFS18-007a
Public Meeting – February 5, 2018
Development Charges Amendment Study**

Purpose

A report to advise Council that a public meeting will be held Monday, February 5, 2018, at 5:00 pm in the Council Chambers to present a Development Charges Amendment Study and to hear public delegations.

Recommendations

That Council approve the recommendations outlined in Report CPFS18-007a dated February 5, 2018, of the Director of Corporate Services, as follows:

- a) That Report CPFS18-007a advising Council that a public meeting will be held on February 5, 2018 at 5:00 pm in the Council Chambers to present a Development Charges Amendment Study and to hear public delegations, be received.
- b) That a further report be presented to the March 26, 2018 General Committee meeting that will recommend an amendment to the Development Charges By-laws regarding a specific exemption to encourage certain downtown developments.

Budget and Financial Implications

There are no budget and financial implications of receiving this report. A report will be presented to the March 26, 2018 General Committee containing specific recommendations stemming from the Development Charge Amendment Study and which addresses issues that may arise during the February 5, 2018 public meeting.

Staff estimate the net development charge revenue impacts to the City will be nil as the revenue loss arising from the multi-residential exemption will be offset by the removal of the industrial exemption. However, with the shortage of Industrial land available, the 2018 Capital Budget includes a provision of \$1.3 million for residential conversion and intensification (2018 Capital Budget reference 7-1.06), some of which will be used to make the Development Charges Reserve whole.

Additional Property taxation revenue generated as a result of the multi-residential development could be in the range of \$150,000 to \$300,000 per year.

Background

The Development Charges Amendment Study is in response to Report PLPD17-044, Conduct Background Study to consider Exemption of Development Charges for “Schedule J” Lands for Residential/Mixed Use Developments and Removal of Industrial Zoned Land Exemption dated September 25, 2017.

Council directed Staff to take the necessary steps to have a City-wide Development Charges Background Study prepared to:

- a) Assess the exemption of Development Charges for “Schedule J” – Central Area Lands of the Official Plan for residential developments with a minimum of 15 apartment units, and mixed-use developments with a minimum of 1,000 square metres of commercial floor space and 15 residential apartment units; and
- b) Assess the impact of removing the Development Charge exemption for Industrial zoned land within the City.

February 5, 2018 Public Meeting

A public meeting will be held on February 5, 2018 at 5:00 pm in the City Council Chambers during which Hemson Consulting Limited will present a Development Charges (DC) Amendment Study (the Study) and proposed DC by-laws (attached as Appendix A). Members of the public will then have an opportunity to make presentations to Council concerning the proposed amendments.

The DCA stipulates that before passing a development charge by-law, Council shall hold at least one public meeting. The public meeting was advertised in the Examiner on Thursday January 11, 2018 and the Amendment Study was also available as of Thursday January 11, 2018, for pick up at the Clerk’s Office and on the City’s website at www.peterborough.ca.

Council is not required to make any final decisions during the public meeting or give direction to staff. Council can ask questions of presenters for clarification. A staff report will be presented to the March 26, 2018 General Committee, setting out the final recommendations and the proposed by-law, and it will address any issues raised during the public meeting.

Study Complies with the Act and Steering Committee Established

The Study has been undertaken in compliance with the provisions of the **Development Charges Act, 1997** (DCA) and its regulation (Ontario Regulation 82/98). A Development Charges Steering Committee was established to oversee the study and includes representatives from the Peterborough & the Kawarthas Home Builders Association. The Committee includes:

- Director of Planning and Development Services;
- Director of Utility Services;
- Director of Corporate Services;
- Manager of Financial Services;
- Manager of Planning;
- Manager of Infrastructure Planning;
- John Milne, representative from the PKHBA;
- Garnet Northey representative from the PKHBA;
- Andrew Mirabella of Hemson Consulting Ltd, and
- Craig Binning of Hemson Consulting Ltd.

Current DC Amendment Study Scope

No change to the City's development-related capital program would result from the implementation of the proposed amendment. In addition, no recalculation of the City's development charges is required to implement the proposed amendment as neither the development forecast nor the capital program is proposed to be changed. The one proposed amendment is that the current Development Charges Bylaws #14-134 and Bylaw 14-135 be amended to include the following exemptions for "Schedule J":

- i. Residential developments with a minimum of 15 units
- ii. Mixed-use developments that contain a minimum of 15 apartment units and a minimum of 1,000 square metres of commercial gross floor area will be exempt from the payment of development charges based on the following rules:
 - a. The first 15 apartment units and the first 1,000 square meters of commercial gross floor area will be exempt;
 - b. Each additional apartment unit, beyond the first 15 units is eligible for exemption; and
 - c. Each additional 67 square meters of commercial gross floor area beyond the initial 1,000 square meters must be matched with a residential unit to be eligible for exemption.

This will encourage revitalizing of the Central Area and result in lower development charges, however the increased development is predicted to assist the City in meeting its obligations under the **Places to Grow Act** and increase annual property taxes by \$150,000 to \$300,000.

The proposed amendment also includes the removal of the current industrial exemption throughout the City. This will result in industrial development being subject to development charges. The revenues collected will offset the proposed exemption within Schedule J.

The draft Background Study contemplates that industrial development occurring outside the CleanTech Commons land would be subject to a development charge, however upon further reflection, staff suggest that a transitional provision be included in the bylaw, whereby any industrial lands currently under discussion with City administration for the purposes of being acquired, or the sale transaction has not yet been finalized, or a building permit has not been issued, regardless of location, be exempt. All other industrial lands, not grandfathered under this transitional provision, would be subject to development charges, including those lands in CleanTech Commons.

Chart 1 provides the current development charge rates as of January 1, 2018 and is presented for illustrative purposes only.

**Chart 1
DC Rates as of January 1, 2018**

Planning Area		Residential Charge Per Unit		
		Residential A - Total Charge C3	Residential B - Total Charge C4	Residential C - Total Charge C5
C1	C2			
	City-Wide Dev. Area	\$22,183	\$17,624	\$12,910
	Growth Areas			
1.	Jackson	\$25,226	\$20,246	\$14,694
2.	Carnegie East	\$27,679	\$22,363	\$16,133
3.	Carnegie West	\$26,178	\$21,068	\$15,253
4.	Lily Lake	\$28,911	\$23,423	\$16,854
5.	Chemong East	\$29,358	\$23,809	\$17,117
6.	Chemong West	\$32,234	\$26,289	\$18,802
7.	Liftlock	\$29,390	\$23,837	\$17,135
8.	Coldspring	\$25,817	\$20,757	\$15,040
	Average	\$27,442	\$22,157	\$15,993
Non-Residential Development Charge				
All Areas of The City		Non-Residential Charge (\$/sq.m)		
Total City-Wide Uniform Charge		\$88.02		

The report on March 26, 2018 will address any other issues that may arise during the February 5, 2018 public meeting.

Submitted by,

Sandra Clancy
Director of Corporate Services

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Attachments:

Appendix A City of Peterborough
 Development Charges Amendment Study
 HEMSON Consulting Ltd.

Appendix A

**City of Peterborough
Development Charges Amendment Study
HEMSON Consulting Ltd.**