



Date: Aug 4, 2009
File: F52-09
Subject: **Development Charge By-Laws and Recommendations**
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OVERVIEW

- The City's current Development Charge (DC) By-laws 218-2004, 219-2004, 220-2004, 221-2004, 222-2004, 223-2004, 224-2004 and 111-2008 will expire on August 11, 2009.
- The Background Study, required by the *Development Charges Act* (DCA), was submitted to Council on June 10, 2009. The Public Meeting, also required by the DCA, was held on June 22, 2009. It provided opportunity for the development community and the public to express their concerns, before approval of new DC By-laws.
- A report to Committee of Council, submitted on July 27, 2009, included recommendations on new DC by-laws and associated DC rates. These recommendations were considered in principle by Committee of Council.
- Committee of Council also directed staff to continue discussions with the development industry during the period from the July 27, 2009 Committee meeting to the Council meeting scheduled for August 5, 2009.
- This report outlines the recommended changes to the proposed DC by-laws and associated DC rates subsequent to the July 27, 2009 Special Committee of Council meeting.
- The report repeats the recommendations required for passage of new DC by-laws and incorporates the following changes:
 - Reduced land acquisition costs for the NSTC/Bramwest Parkway
 - Modifications in the draft TTMP roads program, including deletion of the John Street extension pending further policy review; adjustment to the costing of the CN Rail Underpass at James Potter Road and adjustment to the costing treatment for 2 lane

rural road re-surfacing

- **Modified treatment of back-to-back and stacked townhouse units to be consistent with the City's Planning policies**
- **Extension of the transition period for the effective date of these charges to September 30, 2010**

RECOMMENDATIONS:

1. That the report from B. Eskelson, Director, Financial Planning and Budgets, and L. Noronha, Manager, Development and Capital Financing, Finance, dated August 4, 2009, to the Council Meeting of August 5, 2009, re. **Development Charge By-laws and Recommendations**, be received.
2. That Committee of Council Recommendation CW201-2009, as contained in the Minutes of the Special Meeting of Committee of Council (Item J 5), held on July 27, 2009, be received.
3. THAT the following City of Brampton development charge rates be approved:

	Rate Excluding Bramwest By-Law	Bramwest By-Law Rate
<u>Residential per unit</u>		
Single Family / Semi-Detached	\$23,781.84	\$542.77
Row (Townhouse)	\$19,620.02	\$542.77
Apartments >750 square feet	\$16,052.75	\$387.69
Apartments 750 square feet or less	\$8,918.22	\$201.60
<u>Non-Residential</u>		
Non-Industrial/Non-Office per square metre	\$94.44	\$4.11
Industrial and Office per square metre	\$51.37	\$1.73

(Subject to applicable adjustments and discounts as recommended elsewhere in this report.)

4. THAT the following specific development charges be approved for each program to finance the net growth-related capital costs for that program:

Programs	Residential				Non-Residential	
	Single & Semi	Row	Large Apt.	Small Apt.	Non-Industrial, Non-Office	Industrial & Office
General Government	\$43.40	\$35.81	\$29.30	\$16.28	\$0.16	\$0.16
Library	\$665.96	\$549.42	\$449.52	\$249.74		
Fire Services	\$450.40	\$371.58	\$304.02	\$168.90	\$1.68	\$1.68
Parks and Recreation	\$7,678.64	\$6,334.88	\$5,183.08	\$2,879.49		
Public Works	\$513.08	\$423.29	\$346.33	\$192.41	\$1.92	\$1.92
Parking	\$318.68	\$262.91	\$215.11	\$119.51	\$1.19	\$1.19
Transit	\$1,214.84	\$1,002.24	\$820.02	\$455.57	\$4.53	\$4.53
Roads	\$12,896.84	\$10,639.89	\$8,705.37	\$4,836.32	\$84.96	\$41.89
Subtotal	\$23,781.84	\$19,620.02	\$16,052.75	\$8,918.22	\$94.44	\$51.37
Bramwest NS Corridor	\$542.77	\$542.77	\$387.69	\$201.60	\$4.11	\$1.73
Total per unit or Sqm.	\$24,324.61	\$20,162.79	\$16,440.44	\$9,119.82	\$98.55	\$53.10

(Subject to the applicable adjustments and discounts as recommended elsewhere in this report.)

5. THAT for one year after the date of passage of the new DC by-laws, the Industrial / Office development charge be discounted to \$45.05 per square metre, plus the NSTC/Bramwest Parkway charge (\$1.73 per square metre) as of its effective date of August 31, 2009, plus applicable indexing with continuation of this discount to be reevaluated on an annual basis thereafter;
6. THAT City development charges be collected on all development (residential, non-industrial/non-office and industrial/office) within the boundaries of the City of Brampton;
7. THAT if a complete building permit application is submitted to the Building Division on or before April 1, 2010 and the building permit is issued on or before September 30, 2010, the development charges payable shall be calculated at the rate in effect on August 4, 2009, plus the NSTC/Bramwest Parkway charge as of its effective date of August 31, 2009, plus applicable indexing, subject to receipt of a complete site plan application where applicable having been received by August 31, 2009, subject to all specifications in the new DC by-laws regarding the application of these transition measures, save and except for Row Developments, which shall pay the newly established rate as of August 5, 2009;
8. THAT no additional exemptions, other than those required by the *Development Charges Act, 1997*, be formally adopted in the by-law, except:
 - farm buildings;

- hospitals, colleges and universities and
- places of worship;

9. THAT the definition of a “Place of Worship” be added to the draft DC by-laws as follows:

“A place of worship shall mean a place or building or part thereof including accessory buildings or structures that are used for the regular assembly of persons for the practice of religious worship, services or rites. It may include accessory uses such as classrooms for religious instruction, including programs of community social benefit, assembly areas, kitchens, offices for the administration of the place of worship, a single residence for the faith group leader, and a small scale day nursery, but shall not include a cemetery or more than one dwelling unit”;

10. THAT section 20 (1) (e) of all the draft DC by-laws be modified with respect to the exemption of Places of Worship as follows:

“20. (1) ...

(e) land, building or structures used for the purposes of a Place of Worship, excluding that portion of the land, building or structure used for the purposes of:

- (i) private schools*
- (ii) banquet halls*
- (iii) supportive housing*
- (iv) major daycare facilities*
- (v) retail or commercial”*

11. THAT Council direct staff to amend the Wild Water Kingdom DC Deferral agreement to be extended by 3 months while staff continue discussions with its representatives;

12. THAT the administrative changes recommended in the covering report to the draft DC Background Study and included in the draft DC by-laws including: combination of Indoor and Outdoor Recreation by-laws into a single by-law and reserve fund, creation of differentiated rates for Row Houses, amended definition of a “small apartment” and an exemption for Non-Apartment Residential Mechanical Structures, be approved;

13. THAT the definition of an “apartment” be modified in the draft DC by-laws and that the definition of “back-to-back townhouse dwelling” and “stacked townhouse dwelling” be added to the draft DC by-laws as follows:

“apartment” means a dwelling unit in a duplex, triplex, double duplex or in a mixed use building not exceeding three stories in height and a dwelling unit in a building where such dwelling unit is served by a principal entrance from the street level common to three or more other dwelling units. Despite the forgoing, an apartment dwelling includes those stacked townhouse dwellings or back-to-back townhouse dwellings that are developed on a block approved for development at a minimum density of sixty (60) units per net hectare pursuant to plans and drawings approved under section 41 of the Planning Act;

“back-to-back townhouse dwelling” means a building containing four or more dwelling units separated vertically by a common wall, including a rear common wall, that do not have rear yards;

“stacked townhouse dwelling” means a building containing two or more dwelling units where each dwelling unit is separated horizontally from another dwelling unit by a common wall.

14. THAT the City codify any rules regarding application of the by-law(s) and exemptions within the development charge by-law(s) proposed for adoption;
15. THAT the by-law permit the payment of a development charge in cash or through services-in-lieu agreements, at the sole discretion of the City, which shall be under no obligation to enter into services-in-lieu agreements;
16. THAT it is the intention of Council to ensure that the increase in the need for services attributable to the anticipated development identified in the Background Study will be met;
17. That Council approve the Development Charges Background Study presented on June 10, 2009, as amended by this report and the report provided to the Special Committee of Council meeting of July 27, 2009;
18. THAT the Ten-Year Capital Forecast for the period 2009 to 2018 as endorsed by Council on December 10, 2008, be amended as presented in this report and in the accompanying Background Study, as follows:
 - a) to incorporate the additional road and transit improvements recommended in the City’s Transportation and Transit Master Plan (TTMP) Update, as amended, and as considered by Council on July 27, 2009;
 - b) to spread evenly the cost of the additional road improvements recommended in the City’s TTMP Update over the 23 year period for deficit control purposes and for purposes of calculating DC rates;
 - c) to fund the \$45 million works yard forecast for 2010 from non-DC funding sources;

- d) to advance \$4.36 million from 2011 to 2010 to provide total 2010 funding to construct in 2010 the first phase of the community centre located in the new BramEast Community Campus (sum total cost of \$24.6 million in 2010 & 2011) and to defer \$63 million of the BramEast Community Campus development project from 2011 to 2015 to fund the second phase of the community centre (total cost in 2015 of \$70.9 million);
- e) to increase library funding by \$2.28 million to bring total funding to \$17.28 million in 2010 in order to construct the new library facility in conjunction with the first phase of the aforementioned community centre at the Bram East Community Campus;
- f) to defer 50% (\$23 million) of Parkland Development funding, for 2010-2012 only, beyond the 10 year capital forecast period.
- g) to adjust the capital forecast for Chinguacousy Park Enhancements for 2010-2013 (\$14 million) in recognition of the federal and provincial infrastructure funding received;
- h) and any further changes as detailed in this report;

and that the amended forecast be adopted by Council subject to annual review through the City's normal capital budget process;

- 19. THAT it is intention of Council that the future growth-related net capital costs identified in the Background Study, as amended by this report, shall be paid for by development charges or similar charges.
- 20. THAT a new DC By-Law specific to the North/South Transportation Corridor (NSTC or BramWest Parkway) be established, with the separate rate for this road to be charged in addition to the transition DC rates, effective August 31, 2009, and that the City Treasurer be directed to establish a reserve fund for the same;
- 21. THAT the draft DC By-laws and the newly established NSTC by-law be amended to incorporate the recommendations adopted by Council and to establish the effective date of the by-laws as August 5, 2009, save and except the Bramwest Parkway/NSTC DC By-law which will have an effective date of August 31, 2009;
- 22. THAT Council determine that no further public meetings be required under Section 12 of the Development Charges Act 1997.
- 23. THAT in recognition of the unique needs of Brampton as a mandated high growth municipality, and in recognition that an appeal may be forthcoming in the legislated 40 day appeal period, staff be directed to continue working with stakeholders to resolve outstanding issues and report back to Council at the first available opportunity.

BACKGROUND

The DCA (Ontario, 1997) limits the life of a Development Charge (DC) by-law to five years and requires the preparation of a new Background Study as the basis for adoption of a new by-law no later than the end of that five-year period. Brampton's current DC by-laws expire on August 11, 2009.

Following the release of the Background Study and the public meetings in June 2009, and consultation with stakeholders throughout, staff brought forward a report to a Special Committee of Council meeting on July 27, 2009, which made recommendations on the new DC by-laws and the associated DC rates. The recommendations addressed many important DC issues including: transition measures, treatment of Bramwest Pkwy./NSTC, amendments to the growth capital forecast presented in the June 10, 2009 DC background study and increased exemption for Places of Worship. Council endorsed all recommendations in principle but also directed that staff continue to work with the development industry up until the August 5, 2009 City Council meeting.

Staff have continued discussions and exchange of information with the development industry, resulting in some additional changes to the original rates and by-law proposals in the July 27, 2009 recommendations.

CURRENT SITUATION

The following rates have been calculated subsequent to the July 27, 2009 Committee of Council meeting and are included in the appropriate schedules within the draft DC by-laws appended to this report.

Development Type	Current DC Rates*	Proposed Rates (Excluding Bramwest/NSTC)	% Vs. Current	Proposed Rates (Including Bramwest/NSTC)	% Vs. Current
Residential Rate Per Capita	\$6,453	\$5,945	-8%	\$6,081	-6%
Single / Semi Row	\$21,941	\$23,782	8%	\$24,325	11%
Large Apt.	\$21,941	\$19,620	-11%	\$20,163	-8%
Small Apt.	\$16,133	\$16,053	0%	\$16,440	2%
Non-Ind. / Non-Office	\$8,389	\$8,918	6%	\$9,120	9%
Industrial/Office**	\$92	\$94	2%	\$99	8%
	\$46	\$45	-3%	\$47	1%

* Current rates are reduced by 3.08% as of August 1, 2009, due to indexing. Rates shown here are as of July 31, 2009 for consistency with previous presentations.

**Based on proposed one year extension of industrial/office discounted rate.

Bramwest Pkwy/NSTC

After reviewing submissions from the development community and following internal review, land acquisition costs for Bramwest Pkwy./NSTC were reduced based on modified land unit cost assumptions in the northwest and southwest quadrants of the City. These reductions resulted in a decrease in the Single Detached unit rate from \$917 per unit to \$543 per unit, and corresponding decreases in other rates. As can be seen in the chart above, this has changed the impact that Bramwest Pkwy./NSTC has on the proposed DC rates. This road only adds approximately 2.5% to the increase in residential unit rates compared to the original estimate of 4%.

It should be understood that the recommended rate for the NSTC is an estimate designed to be equivalent to the rate that would be charged by the Region of Peel if the jurisdiction for this road is transferred to the regional level. Should the road ultimately remain a City project, the required rate will be significantly higher.

Because the current DC rates, which are specified as the transition rates up to September 30, 2010 for development that meets the criteria, do not include the Bramwest Parkway/NSTC charge, it is recommended that this charge be added to the transition rate to avoid unduly reducing funds available for the City's growth roads program. However, to provide advance notice to those paying the transition rates, it is also recommended that the Bramwest Parkway/NSTC charge not take effect until August 31, 2009.

Draft Transit & Transportation Master Plan (TTMP) Update and Other Revisions

As a result of deliberations at the Planning, Design & Development Committee meeting on July 27, 2009, the John Street Extension scheduled for 2019 in the draft TTMP update has been removed (reduction of \$6.3 million). This deletion has been reflected in the Road DC rates presented in this report and in the draft DC by-laws. Due to the removal of this road the rate for a Single Detached Home was reduced by \$30. In addition to this change directed by Council, another correction by staff was made to the cost allocation split for Fogal Road. While this is a new road it was allocated similar to a road widening 95% / 5% (DC/Tax), but it has since been rectified to a 50% / 50% (DC/Developer) split. This change has also been reflected in the rates presented in the report and draft DC by-laws. As a result of further discussions with development community representatives, changes to the CN Rail Underpass at James Potter Road (reduction of \$8.2 million) and the treatment of resurfacing of 2 lane rural roads (reduction of \$19.1 million) were also evaluated and reduced accordingly subsequent to the Committee of Council Meeting on July 27th. These changes have also been reflected in the rates presented here and in the draft by-laws.

New Apartment Definitions

At the request of the development community, the City has evaluated its definition of an “apartment”. While specific definition changes were previously recommended for the “small apartment” definition, apartments over 750 square feet did not receive additional consideration during the DC review. Staff do, however, feel that the requests of the development community on the definition changes presented below are reasonable and as such have added them as recommendation #13 in this report and in the draft DC by-laws. The purpose of these definition changes is to allow “back-to-back townhouse dwellings” and “stacked townhouse dwellings” to pay DCs at the “Large Apartment” rate as opposed to the “Row House” rate. Staff have confirmed that the “person per unit” assumptions for these types of units are similar to those of “Large Apartments” and it is therefore equitable to assess a DC rate commensurate to the draw on services expected from such a development.

The definition of an “apartment” has been modified as follows in the draft DC by-laws:

“apartment” means a dwelling unit in a duplex, triplex, double duplex or in a mixed use building not exceeding three stories in height and a dwelling unit in a building where such dwelling unit is served by a principal entrance from the street level common to three or more other dwelling units. Despite the forgoing, an apartment dwelling includes those stacked townhouse dwellings or back-to-back townhouse dwellings that are developed on a block approved for development at a minimum density of sixty (60) units per net hectare pursuant to plans and drawings approved under section 41 of the Planning Act;

The following two definitions have been added to the draft DC by-laws:

“back-to-back townhouse dwelling” means a building containing four or more dwelling units separated vertically by a common wall, including a rear common wall, that do not have rear yards;

“stacked townhouse dwelling” means a building containing two or more dwelling units where each dwelling unit is separated horizontally from another dwelling unit by a common wall;

Other than those changes described above, no other changes have been made between July 27, 2009 and August 5, 2009.

Transition Measures

In recognition of current economic conditions and as per staff recommendations in previous reports, staff maintain that transition rates should be established to help facilitate development during these difficult economic times. As such, staff are recommending to extend the transition measure time frames previously recommended to allow existing rates (subject to indexing and qualification under the by-law) to September 30, 2010. This represents an extension of 5 months from the July 27 report to Committee of Council and reflects the most current information regarding economic recovery. This foregone revenue is difficult to quantify because of the slowdown in development activity. The industry has advised that the transition measures will enable development to continue and therefore yield much needed development revenues to the City.

INTERDEPARTMENTAL COMMENTS

The modified recommendations have been developed jointly with the affected Departments, and their comments incorporated directly in the body of this report.

CONCLUSION

Staff believe that the proposed rate increases in this report compare favourably to increases approved or proposed by other growth municipalities in the GTA and that two important City priorities have been met: 1) facilitating infrastructure development commensurate with development; and 2) implementation of measures to facilitate and support development in difficult market conditions.

In recognition of the unique needs of Brampton as a mandated high growth municipality, and in recognition that an appeal may be forthcoming in the legislated 40 day appeal period, staff will continue working with stakeholders to resolve outstanding issues and report back to Council at the first available opportunity.

Original Signed By:

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Original Signed By:

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