

THE REGIONAL MUNICIPALITY OF NIAGARA
REGIONAL DEVELOPMENT CHARGES TASK FORCE

REPORT 2-2009

Minutes of a meeting of the Regional Development Charges Task Force held in Council Chambers, Regional Municipal Building, Thorold, Ontario, on Monday, March 9, 2009, commencing at 10:15 a.m.

ATTENDANCE

Members: Councillors D'Angela, Chair; Partington, Regional Chair; Augustyn; Badawey; Burroughs.

Staff: Mr. Bergsma, Commissioner, Corporate Services; Mr. Brothers, Commissioner, Public Works; Mr. Robson, Commissioner, Integrated Community Planning; Mr. Murphy, Manager, Policy & Development; Mr. Cherrington, Manager, Engineering Planning & Development; Mr. Colosimo, Director, Development Services; Mr. Bendell, Financial Analyst; Mr. Steele, Associate Director, Strategic Business Management; Mr. Teichroeb, Niagara Economic Development Corp.; Ms. Reilly, Legislative Assistant.

Others: Mr. Stephen Kaiser, Chair, Regional Development Charges Public Advisory Group; Mr. Walter Sendzik, Executive Vice President and General Manager and Mr. Kithio Mwanzia, Policy Coordinator, St. Catharines-Thorold Chamber of Commerce.

PRESENTATIONS

11. St. Catharines – Thorold Chamber of Commerce

Walter Sendzik, Executive Vice President and General Manager of the St. Catharines-Thorold Chamber of Commerce, together with Kithio Mwanzia, Policy Coordinator, met before the Task Force to present their concerns regarding the proposed increases in development charges for the Region.

Mr. Sendzik advised that the Chamber has met with individuals in industrial, commercial and residential development within their membership and in each case, great concern has been raised about recommended increases to development charges during these uncertain economic times. The following concerns were expressed:

- In today's economic climate, lower costs of construction and transfer to communities for infrastructure builds from other orders of government should mitigate any need to increase development charges for the foreseeable future.

- Regional staff indicated that increases in the development charges would cover the increase in staff time due to provincial land planning policy legislation such as the Greenbelt Plan and Places to Grow, yet, the Province is in the process of uploading more than \$350 million dollars of services from the Region over the net 10 years. This should provide the region with the room to mitigate the burden to the taxpayer and keep Niagara's development charges highly competitive compared to other municipalities in Ontario.
- From a business predictability perspective – the jump from 19% to 50% cost recovery does not respect businesses in Niagara. Regional staff should be directed to present an implementation scale to increase development charges over a 5 to 10 year period.
- Looking at the comparatives used by the Region's staff and its consultants, those areas around the GTA are in high demand – Niagara is not. The areas of Windsor, Sarnia, London and Brant County should be looked at to see what their respective rates are.
- Staff indicated additional work that is a result of the provincial land planning policies and local municipalities that must include regional input are driving up costs. It is the Chamber's opinion, that before any increase in development charges fees, the Region and the 12 municipalities must harmonize the development process, and remove all layers of duplication. The Region and the 12 municipalities should examine the opportunities of shifting all land planning and development processing to the Region. This consolidation of services could relieve the burden on the taxpayer and create a more efficient and effective system for Niagara.
- The staff report only looks at upfront costs versus immediate revenue. Staff should provide the details of each development over the past ten years and the impact it has had on the tax base of Niagara.

In closing, the Chamber urged the Task Force to not accept the staff recommendation to increase development charges.

Moved by Councillor Burroughs
Seconded by Councillor Badawey

That the presentation from Walter Sendzik, Vice-President and General Manager, St. Catharines-Thorold Chamber of Commerce, regarding the Review of Regional Development Charges By-law and Related Policies Draft Report, be received.

Carried.

12. Stephen Kaiser, Chair,
Regional Development Charges Public Advisory Group

Stephen Kaiser, Chair, Regional Development Charges Public Advisory Group, advised that a meeting was held with the Public Advisory Group and Homebuilders Association on February 17th and the following concerns and comments were made:

- All incoming development charges should be put into an account for growth related costs.
- Exemptions or decreases in development charges should come from general revenues.
- As Regional Council made the decision to waive development charges for the Niagara Health System, that these funds come from general revenues and be put into development charges account.
- There should be consistency in the collection of development charges among the Region and the municipalities.
- Greenhouses should be encouraged to build outside the Greenbelt area.
- The industry is impacted by taxes, fees and charges – there would be affordable housing without those charges

Mr. Kaiser distributed charts comparing the Region's proposed discounts and development charges rates and projected development charge revenues and the Public Advisory Group's proposed discounts and development charge rates and projected development charges revenues. He commented that the Public Advisory Group's projections actually exceed the Region's total accumulated revenue for the ten year period.

Mr. Kaiser advised that the Industry is asking that the Region freeze their development charges until it is better understood where the industry is in these uncertain economic times and until further discussions can take place with the Region and the area municipalities, subject to an annual review.

Moved by Councillor Badawey
Seconded by Councillor Burroughs

That the presentation from Mr. Stephen Kaiser, Chair, Development Charges Public Advisory Group, regarding the Review of Regional Development Charges By-law and Related Policies, be received.

Carried.

MINUTES

13. 1-2009

Moved by Councillor Badawey
Seconded by Councillor D'Angela

That Report 1-2009 being the minutes of the Regional Development Charges Task Force meeting of Tuesday, Monday, February 2, 2009, be received.

Carried.

ITEMS FOR CONSIDERATION

14. Memo – Imposing of Development Charges on Greenhouse
In the Municipalities of Chatham-Kent and Leamington

Mr. Murphy, Manager, Policy and Development, in response to a request made at the February 2nd Task Force meeting, provided an overview of his memo, providing further information on the impacts of development charges by-laws as it relates to greenhouses for the Chatham-Kent and Leamington areas.

Moved by Councillor Burroughs
Seconded by Councillor D'Angela

That Greenhouses continued to be included under the definition of "Agricultural Uses" and that "Agricultural Uses" continue to be exempt from Niagara Development Charges By-law and that the definition of "Agricultural Uses" not be amended; and

That this matter be included in the review of the development charge cost recovery philosophy and cost recovery policy; and

That a timetable be established for completion of the review and report with recommendations to Committee and Council for approval prior to the start of the 2010 budget process.

Carried.

15. Review of Regional Development Charges
By-law and Related Policies

Mr. Murphy provided an overview of the draft report regarding the Review of Regional Development Charges by-law and Related Policies, and the summary of recommendations as contained in Appendix IV.

During discussion of this report, the following concerns and comments were made by Task Force members:

- An accounting process needs to be put in place to keep track of exemptions and reductions in development charges and for measuring the values/benefits/consequences
- Examine whether exemptions result in assessment growth
- Guided principles need to be developed to determine where Council wants to spend money to provide for a balance of growth, development and sustainability.
- Develop a consistent and transparent Development Charge policy across the Region and 12 area municipalities.
- PSAB regulations require the Region to make contributions to the sustainability of its assets – where would funds come from - Development Charges or from the Operating Budget.
- Parking structures may become a significant issue due to storm sewers and run-offs- this needs a further review.
- Review credits relating to demolition/conversions – could development charges be negated.
- Staff further review the recommendation as it pertains “double dip” as it relates to Brownfield Developments and CIPs.
- Staff review the Public Advisory Group’s proposed discounts and development charges rates and projected development charges revenues.

Staff advised committee that they are attempting to build a template of information for tracking exemptions and that there are challenges due to the need for administrative support at both the Region and local municipalities levels.

Task Force members reiterated the importance of developing, in a timely manner, an accounting process for tracking exemptions and measuring the returns on these investments.

Moved by Councillor Badawey
Seconded by Chair Partington

That the Review of Regional Development Charges By-law and Related Policies be adopted in principle, with the exception of the last two recommendations contained in Appendix IV “Summary of Recommendations” which are referred to staff for further review and clarification; and

That this Committee recommend to Regional Council that a review of the development charge cost recovery philosophy and cost recovery policy be undertaken (consistent with recommend implementation action in DPD 54-2008) and that the role and mandate of the Region, the cost recovery methodology, and consideration of area specific development charge options be reviewed, and report back to Committee and Council with a recommendation.

Carried.

ITEMS FOR INFORMATION

16. Map of Niagara Region (Smart Growth Exemption Areas)

Moved by Councillor Badawey
Seconded by Regional Chair Partington

That the map of the Niagara Region depicting the Smart Growth Exemption Areas, be received.

Carried.

ADJOURNMENT

The Task Force adjourned at 12:20 p.m. to meet again at the call of the Chair.

Henry D'Angela
Chair

Gail Reilly
Legislative Assistant