



MEMORANDUM

TO: Mayor & Members of Council

FROM: Kevin Ross, Manager, Development Finance

DATE: September 7, 2011

A handwritten signature in black ink, appearing to be 'jh' followed by a flourish.

RE: DEVELOPMENT CHARGES – 56 MAIN STREET, UNIONVILLE

Overview

Mr. Rocco Sciotti, the owner of 56 Main Street demolished the single family dwelling unit located on his property in May 2000. The dwelling was vacant at the time and was the subject of vandalism. Mr. Sciotti on May 3, 2011, applied for a building permit to construct a new single family dwelling on the property which has been vacant since 2000.

The Town's Development Charge by-law, Section 8(1) provides for a credit against development charges (DC's) payable if redevelopment occurs within 48 months from the date that the demolition approval was obtained. Section 8(1) states as follows:

Despite any other provision of this by-law, where one or more existing dwelling units are demolished, a credit against development charges otherwise payable pursuant to this by-law for redevelopment of the lands for residential purposes, in an amount equal to the development charge payable pursuant to this by-law for the same number of dwelling units, shall be applicable where the redevelopment has occurred.

- a. within 48 months from the date that the necessary demolition approval was obtained with documented proof thereof; and*
- b. on the same lot or block on which the demolished dwelling units were originally located.*

The Region's DC by-law provides a similar 48 month time period (commencing upon the date of actual demolition), while the School Boards allow 5 years for a similar structure to be developed without DC's being applicable.

The demolition permit for 56 Main Street was issued on May 12, 2000 and therefore as per the Town and Regional DC by-laws, Mr. Sciotti had until May 2004 to rebuild another single family dwelling without being assessed development charges; he had until May 2005 for the

School Boards. Due to the expiration of the time period for the redevelopment (demolition) credits, DC's are applicable on the construction of the new dwelling.

Upon the issuance of the building permit, development charges of \$51,445 were assessed as per the Town, Region and School Board's DC by-laws as follows:

Jurisdiction	Development Charge Category	Development Charge Rates	Total Development Charges
Town of Markham	Town Wide Hard	\$8,591	\$18,475
	Town Wide Soft	\$9,884	
Region of York	Hard Services	\$28,133	\$30,950
	General Services	\$2,512	
	GO Transit	\$305	
School Boards	Public School	\$1,370	\$2,020
	Separate School	\$650	
TOTAL DEVELOPMENT CHARGES			\$51,445

Issue

Mr. Sciotti is of the view that development charges should not be payable as he was unaware (and not advised) of the implications when he demolished his house in 2000. He also states that Town staff advised him that he had an option to demolish the house to prevent further vandalism. Town records indicate that in 1999 the building was ordered boarded up due to vandalism, however there is no indication that Town staff required the demolition of the dwelling.

Mr Sciotti paid the development charges under protest on July 22, 2011. The Regional and School Board portion of the charges have since been remitted as required.

The development charge assessment was applied consistent with the DC by-laws and as such, staff recommend charging all the applicable DC's as outlined in the above table.

Should Council wish to assist Mr Sciotti, any such assistance will relate to the Town portion of the charges only (\$18,475). If Mr. Sciotti wishes to protest the assessment of the Region and School Board DC's, he has to approach these organizations directly.

Options

- 1) Amendment to the Town Wide Hard and Town Wide Soft by-laws to exempt the property from DC's, which will necessitate the preparation of a DC Background Study and a Public Meeting prior to the adoption of the new by-laws. Staff would need direction as to whether an exemption applies to 56 Main Street only or to alter the entire demolition section of the by-law to extend the credit period. This option will be very cost and time prohibitive.

- 2) Deferral of Town portion of DC's - A deferral is not supported by rationale/criteria consistent with past practice (nor a DC Deferral Policy currently being drafted); as such, staff does not support this option.

However, if a DC deferral is to be contemplated by Council, the following terms should be met, consistent with previously approved deferrals:

- a. Phased payment with a defined timeline of not more than 5 years for full payment of the development charges.
- b. A downpayment on the development charges of not less than 5%.
- c. The development charges be calculated and charged at the higher of (1) the rate that is in effect at the time of payment, (2) the indexed rate from the date of building permit issuance or (3) the rate in effect at building permit issuance plus accrued interest at prime.
- d. Provision of security in a form satisfactory to the Treasurer to secure the outstanding development charges obligation. The security being 115% of outstanding development charges (based on the 5-year term) to protect against any increase in the development charge rates.

Summary

Development charge demolition credits have consistently been granted for redevelopment occurring within the 48-month period in accordance with the Town's DC by-laws. Any divergence from this practice will set a precedent and encourage other such requests. Staff do not support any of the above 2 options and continue to recommend that all applicable DC's be paid.

