



Report to: General Committee

Date Report Authored: November 20, 2015

SUBJECT:	2015 Area-Specific Development Charges Background Study Update for Areas 9, 42B-6 & 42B-8
PREPARED BY:	Kevin Ross, Manager Development Finance, ext. 2126 Shannon Kellam, Financial Analyst, ext. 2659

RECOMMENDATION:

- 1) THAT the report on the “2015 Area-Specific Development Charges Background Study Update for Areas 9, 42B-6 & 42B-8” be received;
- 2) THAT no further public meeting is required under Section 12 of the *Development Charges Act 1997*;
- 3) THAT the summary response to the questions raised at the public meeting be received for information;
- 4) THAT Council approve the Development Charge Background Study and associated by-laws prepared by Hemson Consulting Ltd. dated October 27, 2015;
- 5) THAT it is Council’s intent to ensure that the increase in the demand for services due to new development will be met;
- 6) THAT Council approve the enactment of the Area Specific development charges by-laws for Area 9, 42B-6 and 42B-8 effective on December 16th 2015;
- 7) THAT these recommendations including the implementing by-laws be forwarded to the December 15, 2015 Council meeting for adoption; and
- 8) THAT staff be directed to do all things necessary to give effect to this report.

PURPOSE:

The purpose of this report is to update Council on the proposed rates in the draft October 27, 2015 City of Markham Area-Specific Development Charges Background Study, and to obtain General Committee’s approval to forward the revised Development Charge rates and Development Charge by-laws to Council on December 15th 2015 for approval.

BACKGROUND

Area Specific Development Charge (ASDC) by-laws are levied on specific localized geographical areas that benefit from particular infrastructure, rather than on a city-wide basis. Markham's ASDC by-law 2013-109 (Area 9), 2013-110 (Area 42B-6), and 2013-111 (42B-8) were adopted by Council in June 2013 and are set to expire in June 2018. At the time of enactment, Council recognized that the costs related to the Highway 7 Sanitary Sewer, a project shared between all three areas, had not yet been finalized. It was therefore acknowledged that an update would be required at a later time.

The review of the Area 9, 42B-6 and 42B-8 by-laws was initiated in July 2015. The City retained SCS Consulting Group Ltd. to provide the updated project costs, as well as Hemson Consulting Ltd. to complete a new Background Study and update the enacted ASDC by-laws. The review has been a collaborative and inclusive process, which comprised steering committee meetings to discuss the infrastructure costs and net developable lands within the associated ASDCs in order to derive the updated rates. A map of Areas 9, 42B-6 and 42B-8 can be found in Appendix A.

The City invited landowners in the three ASDC areas to a Developer Consultation Session on September 11th, 2015 where the updated rates and infrastructure costs were presented. The landowners were provided the opportunity to review the revised rates and provide feedback on any concerns that they may have. The City received requests to clarify some costs utilized in the calculations, and has resolved concerns presented to date.

A staff report was sent to General Committee on October 7th, 2015 to advise Council of the update to the area specific by-laws and to request a Statutory Public meeting which is required by the *Development Charges Act, 1997* prior to enacting a DC by-law. The draft Background Study and by-laws were prepared and the legislated public meeting held on November 10th, 2015 where developers were provided with a forum to raise any concerns regarding the proposed development charges. In staff's view, the proposed development charges and by-laws are based on City policies and established service levels which the City intends to maintain, and comply with the applicable legislation.

OPTIONS/DISCUSSION

Public Meeting

On November 10th, 2015 a public meeting was held to present the proposed development charge rates and by-laws in accordance with the *Development Charges Act, 1997*. There were no comments from the public and development community, and no written submissions received with respect to these area specific by-laws (see Minutes of Meeting in Appendix B).

There was discussion surrounding the Union Villa development and whether these lands should be included as part of the area-specific background study update. At present, the City does not have sufficient information in order to make a determination on the infrastructure requirements for the proposed development. Once the development

application is submitted, the relevant studies will be completed in order to make this determination, taking into account the number and placement of the units on the site. Should the studies conclude that Union Villa will benefit from the infrastructure included within the ASDC by-laws, the City will pursue a contribution towards the infrastructure as a part of the financial commitments during the agreement process, or through the 2018 development charges background study process.

FINANCIAL CONSIDERATIONS

Revised Development Charges

The chart below outlines the existing development charges, the proposed charges as outlined in the October 27th, 2015 Area-Specific Development Charges Background Study, and the relevant variances as included in the report to General Committee on October 7th, 2015. The detailed development charge rate tables for each ASDC are shown in Appendix C.

Area Name	Service Area	Total ASDC Recoverable ¹	Land Area (Ha)	Revised Charge per Net Ha (A)	Current Charge per Net Ha ² (B)	Increase / (Decrease) (\$) (C) = (A) - (B)
PD 1-7	Area 9	\$ 6,732,364	9.57	\$ 703,457	\$ 763,560	\$ (60,103)
Markham Centre - South Hwy 7	Area 42B.6	\$ 8,010,138	6.20	\$ 1,292,166	\$ 1,074,075	\$ 218,091
Markham Centre - Sciberras	Area 42B.8	\$ 7,024,707	4.80	\$ 1,463,786	\$ 311,718	\$ 1,152,068

¹ Amounts have been adjusted to account for DC credits provided as well as reserve balances

² Current charge as of July 1, 2015

The difference in the rates shown in the current by-laws versus the revised charges are mainly due to the following:

- ASDC 9 – Lower allocation of the Highway 7 sanitary sewer cost has contributed to the lowering of the proposed rate
- ASDC 42B-6 – Higher allocation of the Highway 7 sanitary sewer cost has contributed to the increase in the proposed rate
- ASDC 42B-8 – The realignment in the land area to take out the undevelopable flood plain has resulted in a reduction in the land area and an increase in the proposed rate

Staff recommends the approval of the revised ASDC by-laws and rates for areas 9, 42B-6 and 42B-8.

Implementation of Capital Program

The *Development Charges Act, 1997* requires Council to indicate that it intends to ensure that the increase in the need for service attributable to the anticipated development will be met. Therefore, the enactment of the development charge by-law commits Council to ensure that the capital program is undertaken as outlined in the Area-Specific Development Charges Background Study Update. The major projects included in the

ASDC update (Highway 7 sanitary sewer and storm water management systems) have been financed and built by the Times Group. The Times Group will recoup their costs through the receipt of development charge credits and reimbursements.

ENVIRONMENTAL CONSIDERATIONS:

Not applicable.

ACCESSIBILITY CONSIDERATIONS:

Not applicable.

ENGAGE 21ST CONSIDERATIONS:

Not applicable.

BUSINESS UNITS CONSULTED AND AFFECTED:

Legal Services.

RECOMMENDED BY:

27/11/2015

30/11/2015

X



Alan Brown
Director, Engineering

X



Joel Lustig
Treasurer

11/30/2015

30/11/2015

X



Jim Baird
Commissioner, Development Services

X



Trinela Cane
Commissioner, Corporate Services

ATTACHMENTS:

[Appendix A – ASDC Map](#)

[Appendix B – Minutes – Development Charges Public Meeting](#)

[Appendix C – Development Charge Rate Tables](#)