



Building Markham's Future Together
Journey to Excellence

Development Charges Update

General Committee May 27, 2013

Development Charges Sub-committee

- The DC Sub-committee met for the fifth, and final, time on May 17th to provide direction on four outstanding issues:
 - ☐ Apartment Size
 - ☐ Transition
 - ☐ Deferral for Site Plans
 - ☐ By-law Effective Date
- The DC by-laws, to be approved at Council on May 28th, reflect the Sub-committee's recommendations

Apartment Size

- Differentiated Apartment Rate
 - ❑ Council on April 16th, 2013 passed a resolution instructing staff to calculate differentiated rates for large and small apartments
- Status
 - ❑ Current by-law differentiates apartments by gross floor area
 - Small ($\leq$ 750 sq.ft.) and large ($>$ 750 sq.ft.) units
 - ❑ When defined as 750 sq.ft. approximately 220 two-bedroom apartments per year are charged as one-bedrooms
 - ❑ Previously if there was going to be a differentiated rate, staff had recommended that the City reduce the gross floor area to align with the Region
 - ❑ The differential in revenue is approximately \$800K per annum



Apartment Size

Sub-Committee Recommendation

- That the definition of apartments be aligned to the Region where large apartments are 650 sq.ft. or greater and small apartments are <650 sq.ft.
 - For the current period to June 18th, 2014, apartments will be defined using 700 sq.ft. (transition period)

Transition

Stakeholders have asked for a Transition Policy

- Under the 2013 Development Charge (DC) by-laws, DCs will be calculated at building permit issuance rather than permit application
- Current building permit applicants would be required to pay the increased charges for building permits issued after the by-laws come into effect

Sub-Committee Recommendation

- That complete building permit applications filed prior to the enactment of the new by-laws be charged the old rates so long as a building permit is issued within 4 months
- The approximate cost of this transition is between \$0.6M - \$1.2M

Deferral for Site Plans

- Developments that will benefit from the option to pay City Wide Hard and Area Specific DCs over a 12-Month period (30% at *agreement execution and 35%, 6 and 12 months after agreement execution*) include:

- ☐ High-rise Condominium Developments
- ☐ High-rise Office Developments

Sub-Committee Recommendation

- That high-rise be defined as a structure of 3 storeys or more with a common entrance at grade

By-law Effective Date

The by-laws and rates can be effective as early as the day after Council Approval (May 29th) or as late as the expiration date of the existing City Wide Hard by-laws (June 23rd)

Sub-Committee Recommendation

- That the DC by-laws come into force and effect the day after Council Approval



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Timelines

- Council Approval – May 28, 2013



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QUESTIONS