

MINUTES
Development Charges Sub-Committee
December 13, 2012
4:30 PM – 6:30 PM

Members: Regional Councillor Gordon Landon, Chair, Mayor Frank Scarpitti, Councillor Don Hamilton, Councillor Logan Kanapathi and Councillor Carolina Moretti Staff: Andy Taylor, Chief Administrative Officer, Catherine Conrad, City Solicitor, Joel Lustig, Treasurer, Mark Visser, Senior Manager of Financial Strategy & Investment and Kevin Ross, Manager of Development Finance, and Stephen Huycke, Acting Deputy Clerk Regrets: Regional Councillor Jim Jones

Agenda Item	Discussion	Action Item
1. Call to Order	The Development Charges Sub-Committee convened at 4:37 p.m. with Regional Councillor Gordon Landon presiding as Chair. Staff provided the Committee with a presentation on the City's development charges policies	None
2. Development Charges Update – Goals	The Committee discussed the City's three goals in any amendments to Development Charges, namely: 1. Using Development Charges to recover the maximum amount of growth-related costs while reducing financial risk; 2. Using development charges to provide incentives for high-density, mixed-use developments, and community use facilities; and, 3. Streamlining the administration of the development charges. There was a general discussion on the expected development of office buildings in the City, and if development charges can be used as incentives for development of office space.	

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3. Policy Issues	Staff reviewed the City's current development charges policies and recommended several changes: a) Policy Recommendation #1 – Recover Maximum amount of growth-related costs - Sanitary Sewer Oversize Staff recommended that the City adopt a policy that Development Charges be used to fund 100% of oversizing cost of a sanitary sewer until the last 10 years of the sewer's useful life, when the non-growth share will be determined based on the benefit to the existing population. Moved by Mayor Frank Scarpitti, Seconded by Councillor Logan Kanapahti, That the City adopt a policy that development charges be used to fund 100% of the oversizing cost of a sanitary sewer. CARRIED b) Policy Recommendation #2 – Recover Maximum amount of growth-related costs - Indexing of Rates Staff recommended that the City adopt a policy that will not see development charge rates decrease as a result of a reduction in the index. Moved by Councillor Carolina Moretti, Seconded by Councillor Logan Kanapahti, That the City adopt a policy that development charge rates not be reduced if the index declines, and pass amendments to the City's development charges by-law to give effect to this policy. CARRIED c) Policy Recommendation #3 – Recover Maximum amount of growth-related costs - Service Level Expansion Staff proposed a development charge policy that Staff be directed to explore whether	

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	there are additional services for which development charges can be recovered. Moved by Mayor Frank Scarpitti, Seconded by Councillor Don Hamilton, That the City adopt a policy that will permit the collection of development charges for other services, including but not limited to, parking services. Further, that staff be directed to identify other services for which the City can collect development charges. CARRIED d) Policy Recommendation #4 – Incentive for high density, mixed-use development #1 Staff advised the committee that the City’s current policy of the collection of City Wide Hard and Area Specific Development charges in full at the issuance of building permits does not provided incentive for high density, mixed-use development. Staff noted that developments approved under subdivision agreements pay development charges in increments in the ratio 30%/ 35%/ 35%. Staff advised the committee that the promotion of high density, mixed-use development is consistent with the City’s Official Plan and Greenprint. Moved by Councillor Carolina Moretti, Seconded by Councillor Logan Kanapahti, That the City adopt a policy for development charges where high density, mixed-use developments can benefit from a 12 month deferral in the payment of development charges, consistent with the City’s policy pertaining to that of subdivisions, where development charges are collected using the ratio of 30%/35%/35%. CARRIED e) Policy Recommendation #5 – Incentive for high density, mixed-use development #2 Staff recommended that the City’s current development charges policy that provides a differentiated rate, which is a 35% reduction from the average non-residential rate, to non-residential uses comprising not more than 50% of the gross floor area of a	

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	building with both residential and non-residential uses be maintained. Moved by Councillor Carolina Moretti, Seconded by Councillor Logan Kanapahti, That the City's current development charges policy of a differentiated rate, which is a 35% reduction from the average non-residential rate, applying to non-residential uses comprising not more than 50% of the gross floor area of a building with both residential and non-residential uses be maintained. CARRIED f) Policy Recommendation #6 - Incentive for Larger Apartment Unit Staff recommended that the City adopt a development charges policy to provide a single per unit development charge rate as an incentive to build larger apartment units in Markham. The committee discussed the effect of the proposal on affordability and availability of lower cost housing. Committee discussed other regulatory means of encouraging the development of larger apartment units. Moved by Councillor Carolina Moretti, Seconded by Councillor Don Hamilton, That the staff be directed to examine opportunities to encourage the building of larger apartment units through planning and other regulatory measures. CARRIED g) Policy Recommendation #7 - Incentive for Community Use Facilities Staff recommended the adoption of development charges policies that encourage community use facilities. Moved by Mayor Frank Scarpitti, Seconded by Councillor Carolina Moretti, That the City adopt a development charge policy to defer development charges for community use facilities that meet the specifications set by the City, provided that they are owned and operated by a non-profit organization.	

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	h) Policy Recommendation #8 - Streamlining Administration Staff advised the committee that the construction of non-residential structures with no confirmed tenants makes it difficult to determine if the retail or industrial/office/institutional development charge rate should apply. Moved by Mayor Frank Scarpitti, Seconded by Councillor Logan Kanapathi, That the City adopt a development charge policy to apply the average non-residential development charge rate to non-residential structures where no information on tenancy is available. i) Policy Recommendation #9 - Local Bridges Moved by Mayor Frank Scarpitti, Seconded by Councillor Don Hamilton, That the City maintain the current development charges policy of recovering 25% of the cost of local bridges from City Wide Hard development charges, where the City determines that the local bridge provides a benefit to all residents. j) Policy Recommendation #10 - Closure of Old Area Specific Development Charges Moved by Councillor Logan Kanapathi, Seconded by Councillor Don Hamilton, That the reserve accounts for inactive Area Specific Development Charge by-laws be closed and the net balance be transferred to the City Wide Hard Development Charges reserve accounts at every by-law review.	CARRIED CARRIED CARRIED

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4. Growth Forecast	Committee reviewed the growth forecasts for the City. The Committee discussed how to ensure that the preferred mix of non-residential floor space is achieved. The Committee suggested exploring how development charges may be used to encourage the development of currently vacant industrial land.	CARRIED
5. Confidential Matter	The Development Charges Sub-Committee went into a in-camera session at 5:59 p.m. Moved by Councillor Logan Kanapathi, Seconded by Councillor Carolina Moretti, That, in accordance with Section 239 (e) of the <i>Municipal Act</i>, the Development Charges Sub-Committee resolve into an in-camera session to discuss the following confidential matter: 1) Litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board, regarding OMB Appeal of Development Charges. CARRIED Moved by Mayor Frank Scarpitti, Seconded by Councillor Carolina Moretti, That the Development Charges Sub-Committee rise from an in-camera session (6:23p.m.). CARRIED Moved by Mayor Frank Scarpitti, Seconded by Councillor Logan Kanapathi, That staff be directed to proceed as discussed in-camera.	

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	CARRIED	
6. New Business	None	
7. Date of the Next Meeting	January 15, 2013	
8. Adjournment	The Development Charges Sub-Committee meeting adjourned at 6:23 p.m.	