

# THE REGIONAL MUNICIPALITY OF NIAGARA

## COMMITTEE OF THE WHOLE

### REPORT 10-2007

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The Municipal Council of the Regional Municipality of Niagara met in Committee of the Whole in the Council Chamber, Regional Municipal Building, Thorold, Ontario, on Thursday, November 29, 2007, commencing at 5:07 p.m.

#### **ATTENDANCE**

Council: Regional Chair Partington; Councillors Augustyn, Badawey, Baty; Bentley; Burroughs; Casselman; Collins; Cordiner; D'Angela; Forster; Gabriel; Goulbourne; Greenwood; Heit; Henderson; Hodgson; Lepp; Marshall; Martin; McMullan; Puttick; Rigby; Salci; Saracino; Smeaton; Timms.

Staff: Messrs. Trojan, Chief Administrative Officer; Bergsma, Commissioner, Corporate Services; Brothers, Commissioner, Public Works; Nicol, Commissioner, Human Resources; Farley, Director, Planning Development; Ms. Gilroy, Regional Clerk; Ms. Pilon, Deputy Clerk.

Staff  
(Part-Time): Messrs. Kyne, Director, Legal Services; Lockyer, Treasurer/Director, Financial Management & Planning.

#### **CALL TO ORDER**

52. Regional Chair Partington called the meeting to order at 5:07 p.m.

#### **PRESENTATIONS**

53. Development Charges

Councillor D'Angela, Chair of the Regional Development Charges Task Force thanked the Task Force members and Regional Council and introduced Mr. Cam Watson of Watson & Associates.

Mr. Cam Watson, Watson & Associates provided Committee of the Whole with a presentation concerning Development Charges. The purpose of the presentation was to inform Committee of the Whole of the role of Development Charges in funding Niagara's Capital Works; advise Committee of the Whole of the trends and issues in Development Charges recovery practice and to initiate a review of the Development Charges Recovery Policies.

Mr. Watson noted that Development Charges are capital contributions paid to the municipality by new development to fund a portion of the capital cost of municipal services attributed to the servicing needs of future development, which covers sewer, water, roads, “soft service” facilities, land, site-work, vehicles and equipment, studies and financing costs. The costs not covered by Development Charges are computers, vehicles with less than a seven year life; parkland acquisition; solid waste services; headquarters for general administration; hospitals; cultural, entertainment, tourism and convention centres.

Committee of the Whole was provided with information pertaining to the portion of Capital Costs that can be covered by development charges; the current development charges imposed in Niagara Region; the exemptions under the Niagara Region’s Development Charges By-law 90-2004; the amount of capital funding generated for Niagara Region through Development Charges and how significant this funding is; how development charges and the exemptions in the GTA and other parts of Ontario compare to Niagara Region’s; the results of the discounts and exemptions being offered in Niagara Region; the recent trends in development charges quantum and how development charges and the exemptions act as development incentives/disincentives.

In summary, Mr. Watson noted that Niagara Region’s Development Charges are well below the average for large Central Ontario municipalities; that Municipal Development Charges are escalating significantly, partially in response to high levels of capital inflation and the municipal need for capital; Niagara’s Development Charges exemptions are offered to all of its urban areas and Brownfields as a development incentive (similar to Waterloo, Oshawa, Hamilton, London); Niagara’s Development Charges are generating approximately \$9 million/year in revenue which is only 7.2% of its total annual capital spending (growth-related and non-growth-related combined); Niagara is foregoing several million \$/year in Development Charges revenues as a result of Development Charges discounts and exemptions (assuming higher charges do not reduce the rate of development). Smart Growth exemptions/waivers only accounted for approx. \$275,000/year in DC revenue foregone.

Development Charges discounts and exemptions generally result in higher tax and user rates; and/or longer servicing wait times; and/or reduced service levels and they are likely to result in some developments proceeding that otherwise would not; and/or a somewhat more prosperous development environment; and/or possibly higher quality development.

The next steps in the process are to undertake a more detailed Development Charges Policy Review regarding Development Charges recovery/exemption practice (by January, 2008); and to thereafter receive direction from the Region regarding proposed amendments to the Region's Development Charges by-law (by end of January, 2008); and prepare a Background Study to amend the recovery/exemption portions of the Development Charges by-law (by February, 2008).

The members of Committee of the Whole suggested that the following be considered during the detailed review:

- The levels of water consumption of various types of industry/commercial/retail/non-retail (e.g. cannery as opposed to a storage facility);
- The Niagara Region could consider setting a tolerable total and then have discussions with the lower tiers, in an attempt to balance the Development Charges;
- Consider building in a Development Charges regime into the policy, to promote the type of development Niagara Region desires; and
- Consider setting exemptions for specific types of industries.

### **COUNCILLOR INFORMATION REQUESTS**

Staff was requested to:

- provide Regional Council with the information contained within the reports being prepared for some of Niagara Region's municipalities in the report to Regional Council. (Councillor D'Angela)

### **ADJOURNMENT**

Committee of the Whole adjourned at 5:50 p.m. to meet again at the call of the Chair.

Peter Partington  
Regional Chair

Janet Pilon  
Deputy Clerk

Pam Gilroy  
Regional Clerk