

THE REGIONAL MUNICIPALITY OF NIAGARA

COMMITTEE OF THE WHOLE

REPORT COTW 6-2009

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, July 16, 2009 commencing at 6:15 p.m.

ATTENDANCE

Council: Councillors Partington, Regional Chair; Augustyn; Badawey; Baty; Bentley; Burroughs; Byslma; Casselman; Cordiner; Gabriel; Goulbourne; Greenwood; Henderson; Hodgson; Lepp; Martin; Puttick; Rigby; Salci; Saracino; Smeaton; Timms; Zimmerman.

Staff: Messrs. Robson, Acting CAO/Commissioner, Integrated Community Planning; Bergsma, Commissioner, Corporate Services; Brothers, Commissioner Public Works; Hutchings, Commissioner Community Services; Bain, Regional Clerk; Ms. Reilly, Legislative Assistant.

Staff
(Other): Messrs. Bendell, Financial Analyst; Lockyer, Treasurer/Director, Financial Management & Reporting; Ms. Matthews-Malone, Director, Water & Wastewater Services; Messrs. Murphy, Manager, Policy Development; Pilon, Associate Director, Service Quality & Improvement; Roberts, Executive Officer to the Regional Chair; Steele, Associate Director, Strategy Business Management.

CALL TO ORDER

61. Regional Chair Partington called the meeting to order at 6:15 p.m.

Conflict of Interest

Councillor Timms declared a pecuniary interest with respect to the Regional Municipality of Niagara 2009 Development Charge Background Study and Proposed Development Charge Bylaw as a family business may be subject to development charges and he therefore took no part in the discussion of, or voting on, these matters.

The Regional Chair advised that pursuant to Section 12 of the Development Charges Act, the Council of the Regional Municipality of Niagara has invited interested parties to attend this public meeting being held to receive comments from the public on Niagara's proposed Development Charges By-law and related background study. Notice of this public meeting was given on Thursday, June 25, 2009 by way of the local daily newspapers and by posting on the Niagara Region website. The draft proposed By-law and Background Study was made

available on the website as of June 30, 2009 and has been available to the public in the Regional Clerk's office. It is important to note that the Phase-in Schedule shown for "Non-Residential Excluding Industrial" charges was incorrect and referenced charges which are less than those actually proposed. The Revised Schedule B to the Proposed By-law included with the agenda has been prepared to reflect the correct proposed charges and this schedule was posted on the Region's website on July 9, 2009 and made available to the public in the Regional Clerk's Office.

The proposed By-law being discussed will replace Development Charges By-law 90-2004 which expires on August 31, 2009. The proposed by-law will ensure that the Region of Niagara will continue to be allowed under the Development Charges Act to impose a charge on new development in Niagara.

The Regional Chair inquired if there was anyone in attendance at the meeting that would like to speak and those persons that had not already registered to speak were included in the list of speakers.

Regional Chair Partington called on Mr. Robson, Commissioner, Integrated Community Planning Department, for some further introductory remarks.

Mr. Robson introduced Mr. Cam Watson, President, Watson & Associates Ltd. commenting that Mr. Watson is recognized as a leading authority on the fiscal aspects of the municipal government sector and has worked closely with the Niagara Region for many years in providing background studies for the development of its Development Charge Policies and By-laws.

PRESENTATION

62. Regional Municipality of Niagara 2009 Development Charge Background Study and Proposed Revised Schedule B to the Development Charges By-law

Mr. Cam Watson, Watson & Associates Economists Ltd., provided an overview of the Regional Municipality of Niagara 2009 Development Charge Background Study and Proposed Revised Schedule B to the Development Charges By-law.

A Schedule of key development charge process dates for the Region of Niagara was presented and the consultant highlighted the following proposed key policy modifications.

- a) The Development Charges Waiver/Exemption percentages for urban core areas and on brownfields have been changed from 75% to 50% for development located within these areas and from an additional 25% to 50% for developments that incorporate three or more Smart Growth features;

- b) The definition of industrial use has been amended to include self (mini) storage facilities.
- c) The general exemption for public and institutional development has been eliminated and replaced with specific exemptions as noted below:
 - The proposed new Healthcare Complex in St. Catharines
 - Places of worship
 - Municipal Housing project facilities
- d) The proposed by-law incorporates reduced charges (in comparison with the calculation) for industrial development and phased-in charges for other forms of non-residential development.

Mr. Watson highlighted charts providing information on: Region of Niagara Comparison of Development Charges for Residential, Non-Residential and Industrial; Development Charge Capital Program and Deductions; Niagara Region Residential Growth Forecast Summary; 10 year Housing Forecast; Ten Year Growth Forecast Mid 2008 to Mid 2018 and Employment and Gross Floor Area Forecast, 2008 to Buildout.

The consultant also provided information on sewer, water and roads development charges pertaining to the benefit to existing development deduction; deduction for post period capacity; Residential vs. Non-residential Cost allocation and Local Service Policy.

A detailed list of projects attributable to anticipated development for the period 2008-2018 was presented together with details of the 2009 Municipal wide Development Charge calculation for 2008-2018. Charts detailing 2009 Waste Water Development Charge Calculation (excluding NE Servicing Area Projects) and NE Servicing Area Projects were also presented. Information was provided on Regional Upper Tier Residential Development Charges for Single Detached Dwelling; Regional Upper Tier Non-Residential Development Charges for Commercial/Institutional Floor Area; and Regional Upper Tier Non-Residential Development Charges for Industrial Floor Area.

A Revised Schedule "B" on the Regional Development Charge Rates Table for the period September 1, 2009 to August 21, 2014 was highlighted. Mr. Watson commented that it was important to note that the Phase-in Schedule shown for "Non-Residential Excluding Industrial" charges was incorrect in the Background Study and referenced charges which are less than those actually proposed.

Mr. Watson provided Updated Niagara DC Comparisons as requested by the Task Force Committee. These DC comparisons are current as of July 10, 2009 and include recent Background Study proposals where updated charges have not been adopted.

(A copy of Mr. Watson's presentation including revised Schedule B to the proposed Development Charges By-law is attached to the minutes.)

DELEGATIONS

63. Stephen Kaiser, Niagara Homebuilders Association

Mr. Kaiser attended on behalf of Niagara Home Builders Association and as a member of the Public Advisory Group. Mr. Kaiser noted the following concerns: The current by-law review process would not lead to a successful conclusion; issues identified by their consultant from the IBI Group have not been addressed; the issue respecting Combined Sewage Overflow Systems is unresolved; the development charge rates should be froze in light of the state of the industry; growth should pay its' fair share of costs for infrastructure related to growth itself.

Mr. Kaiser requested that a staff person be designated to work with the Industry and develop a compromise that can be supported by both the Homebuilders Association and the Niagara Region.

(A copy of Mr. Kaiser's presentation is attached to the minutes.)

64. Walter Sendzik, Executive Vice-President and General Manager
St. Catharines-Thorold Chamber of Commerce

Mr. Sendzik, Executive Vice-President and General Manager, St. Catharines Thorold Chamber of Commerce, together with Stephen Cook, Immediate Past President of the Chamber and the Chamber's Policy Coordinator Kithio Mwanzia attended to reiterate the Chamber's position on the proposed increases of development charges in Niagara. Mr. Sendzik presented the following recommendations for council to consider before voting on the Development Charge increases:

- Don't completely cover the \$150 million gap in the Capital Budget Affordability Strategy with increases in development charges. Ensure that all stimulus infrastructure funding is directed to \$150 million gap as the Strategy was written before last fall's economic collapse.
- Council should consider policy options about the use of uploading funds, a portion of the realized revenue could be used to keep development charges competitive for both commercial and residential as a means to attract investment to Niagara.
- Niagara has one of the lowest development charge rates in Southern Ontario – this is one of the only areas in which Niagara has a competitive advantage – protect and build on this competitive advantage.
- The Chamber strongly urges Council to reject staff's recommendation to increase the costs of brownfield development in Niagara. To revisit brownfield incentives is premature and the industry needs more time to grow in Niagara.
- That residential and commercial development charges remain at status quo for the next two years. Any rate increase on residential and commercial developments should be phased in after this period.

- The Region and its 12 municipalities should examine the consolidation of all development processes into one regional structure.

(A copy of the St. Catharines-Thorold Chamber of Commerce presentation is attached to the minutes.)

65. Lisa Wale, Chairperson, Government Relations Committee
Niagara Association of REALTORS

Ms. Wale, Chair, Government Relations Committee, Niagara Association of REALTORS advised that the Association is concerned further increases in development charges will have a negative impact on the economic recovery of the Region. The local construction industry directly and indirectly provides employment and spin off effects. Other costs may be introduced such as the HST which will add to the cost of doing business in Niagara. In addition, the association favours simplifying and streamlining the development process to encourage further development for residential, commercial and industrial.

66. Bernie Slepko, Resident, City of St. Catharines

Mr. Bernie Slepko, resident, City of St. Catharines, attended to urge Council to impose, without any phase-in, at least the full calculated charges as detailed in Table ES-3 on page 5 of the Executive Summary of the Watson & Associates' Background Study.

(A copy of Mr. Slepko's presentation is attached to the minutes.)

67. Tom Richardson, Sullivan Mahoney LLP

Mr. Richardson, Sullivan Mahoney, attended on behalf of Rolling Meadows Land Development and requested that the Regional Municipality of Niagara include \$4.3 million in its development charges by-law for the upgrading of the Peel Street pumping station in 2009-2010 to serve the east side of the City of Thorold. He commented that the anticipated implementation schedule for the Peel Street PS Upgrade as detailed in the Niagara Northeast Area Wastewater Servicing Study (2022-2026) is unacceptable for a project that has received draft plan approval.

(A copy of Mr. Richardson's presentation is attached to the minutes.)

68. Rocco Vacca, Sullivan Mahoney LLP

Mr. Vacca, Sullivan Mahoney LLP, attended on behalf of HOCO Limited (Oakes Family). Mr. Vacca presented HOCO's proposal for a Graduated Threshold Approach. Development charges would be calculated on a graduated scale based on the number of new housing starts. Proposed development charges will be phase in, with a freeze of 0% in Year 1 and in each year thereafter, 25% of the overall increase may be achieved based on the number of new housing starts

as reported by by CMHC. Mr. Vacca provided information on Niagara Housing Starts and detailed the HOCO proposal as follows:

- Council apply a discretionary reduction of 10% to the maximum calculated charges in recognition of differing assumptions and approaches to the calculation of the charges (i.e. percentage of benefit to existing development, post period attribution of capacity, etc.)
- Council freeze the DC's at current rates for one year starting September 1, 2009.
- Council phase in the overall increase over the subsequent 4 years using the Graduated Threshold Approach

Mr. Vacca provided further specifics and examples of the HOCO proposal.

(A copy of Mr. Vacca's presentation is attached to the minutes.)

69. N. Jane Pepino, C.M., Q.C., Aird & Berlis LLP

Ms. Pepino, Aird & Berlis LLP, attended on behalf of four Business Improvement Areas in the City of Niagara Falls: Fallsview BIA, Clifton Hill BIA, Victoria-Centre BIA and Lundy's Lane BIA. Ms. Pepino advised that the tourism and hospitality industry has recently experienced more than its share of challenges stating that the proposed increase in development charges, compounded by a potential increase in the City's development charge rate for the Core Tourist Area, would serve as a considerable impediment to the economic health and continued growth of the BIAs. She noted that the growth forecast which underpins the calculation of the entire charge exceeds the population and employment projects of the Growth Plan for the Greater Golden Horseshoe. Ms. Pepin commented that since the Region has yet to complete its Growth Plan conformity exercise pursuant to the Places to Grow Act, 2005, it appears that the Region's growth forecast will prove to be in excess of the Province's target. Ms. Pepino, on behalf of her clients, urged the Region not to proceed with the proposed increase in non-residential development charges.

(A copy of Ms. Pepino's letter is attached to the minutes.)

70. Stan Harrington, Public Advisory Committee on Development Charges

Mr. Stan Harrington, attended on behalf of the Region of Niagara's Public Advisory Committee on Regional Development Charges. Mr. Harrington commented that before the committee could endorse the study and proposed by-law, several unresolved issues need to be addressed and asked that Regional Council direct a staff member who has the authority to discuss these outstanding issues and if determined, make the necessary adjustments to the background study before its adoption. Mr. Harrington outlined the issues as follows:

- The proposed By-law does not reflect "all" the recommendations identified in staff report CSD 67-2009 which was adopted by Regional Council on April 16, 2009 which were to be incorporated into the By-law. "Schedule

B' of the proposed By-law does not reflect Council's direction in the development charge rates.

- Table 4 which lists proposed percentage discounts and rates for residential, non-residential and industrial development does not reflect changes as detailed in the June 22nd draft of the background study but rather the Nov. 7th draft.

Mr. Harrington submitted a revised "Schedule B" to the proposed Development Charges By-law which more accurately reflects Council's position as stated in report CSC 67-2009.

(A copy of Mr. Harrington's presentation [and Public Advisory Group's] revised Schedule B is attached to the minutes.)

71. Donald May, West Lincoln Memorial Hospital

Mr. May, attended on behalf of the West Lincoln Memorial Hospital, to request that the new hospital be exempted from development charges as the Region approved an exemption for the new hospital in St. Catharines and there is a significant practice in Ontario of exempting hospitals from development charges.

72. Jim Handley, Rudan Developments

Jim Handley, Rudan Holdings, attended to express his concerns regarding the delay in the upgrading of the Peel Street pumping station as detailed in the Northeast Area Wastewater Servicing Study. The study indicates that the upgrade will take place in 2022-2026 which he commented is unacceptable, noting that there are 300 acres of vacant land that cannot be developed until the upgrade is completed.

73. Roy Timms, Niagara Industrial Association

Mr. Timms, Director, Niagara Industrial Association, attended on behalf of the Association and requested that Regional Council consider the Association's following recommendations:

- That the Region assemble statistics for the new/expanded industrial investment detailing square footage and dollars.
- That development charges for industrial buildings whether new or additions, be frozen or eliminated.
- That the Region of Niagara develop a unified strategy for industrial development within the Region.
- That the municipalities in the Region and the Region of Niagara be encouraged to develop services land for industrial use through municipal or regionally owned industrial parks.
- That any existing municipal prestige industrial development parks be converted to industrial parks.

(A copy of Mr. Timms' presentation is attached to the minutes.)

WRITTEN SUBMISSIONS

74. Written submissions were received from the following:

- Joy Vas, CHRP, Consultant, HRNC Human Resources Niagara Consultants
- Mike Credico, John Michael's Banquet & Conference Centre,
- Eric Wiens, Eric Wiens Construction Ltd.
- Kosta Radulovich, Lichko Selo Plan
- Danny Shin, Danny's Esso
- Ted Manning, President, TT&T Marketing
- Tony Tripodi, Remax Garden City Realty Inc.
- David Bird, CEO, West Lincoln Memorial Hospital
- Patricia Fretz, Niagara Arms Retirement Hotel & Residence
- Peter Schut, V.P., Brookfield Homes (Ontario) Limited
- Cary Clark, Property Manager, Walker Industries
- Todd Crawford, DTZ Barnicke

(Copies of the written submissions are attached to the minutes.)

Following the presentations, it was:

75. Moved by Councillor Rigby
Seconded by Councillor Henderson

That the presentations and written submissions regarding the Regional Municipality of Niagara 2009 Development Charge Background Study and Proposed Development Charges By-law be received and referred to staff for consideration.

Carried.

ADJOURNMENT

The Committee of the Whole meeting adjourned at 8:00 p.m.

Peter Partington
Chair

Gail Reilly
Legislative Assistant

Kevin Bain
Regional Clerk