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Windsor, Ontario March 27, 2015

A meeting of the **Development Charges Task Force** is held this day commencing at 1:30 o'clock p.m. in the Council Chambers, 3<sup>rd</sup> floor, City Hall, there being present the following members:

Councillor Hilary Payne, Chair  
Councillor Rino Bortolin  
Councillor Chris Holt  
Councillor Ed Sleiman  
Evangelo Kalmantis  
Shane Mitchell  
Tony Rosati  
Pietro Valente

**Regrets received from:**

Albert Schepers

**Guest in attendance:**

Craig S. Binning, Partner HEMSON Consulting Ltd.  
David Hanna

**Also present are the following resource personnel:**

Tony Ardovini, Deputy Treasurer – Financial Accounting  
Stephan Cipkar, Executive Initiatives Coordinator  
Onorio Colucci, City Treasurer  
Diana Digirolama, Manager of Technical Support  
Andrew Dowie, Policy Analyst, Operations  
Thom Hunt, City Planner  
Brian Pougnet, Controller, Finance, Enwin Utilities Ltd.  
Helga Reidel, CAO  
John Revell, Assistant Developmental Chief Building Official  
Mark Winterton, Executive Director of Operations  
Karen Kadour, Committee Coordinator

**1. CALL TO ORDER**

The Chair calls the meeting to order at 1:32 o'clock p.m. and the Task Force considers the Agenda being Schedule "A" **attached** hereto, matters which are dealt with as follows:

2. **ADDITIONS TO THE AGENDA**

Moved by Councillor Sleiman, seconded by Councillor Bortolin,  
That Rule 3.3 (c) of the Procedure By-law 98-2011 be waived to add the following additions to the Agenda:

- 5.1 Presentation by Shane Mitchell
- 5.2 Presentation by Evangelo Kalmantis
- 5.3 Presentation by Pietro Valente  
Carried.

3. **DECLARATIONS OF CONFLICT**

None disclosed.

4. **ADOPTION OF THE MINUTES**

Moved by Councillor Holt, seconded by Councillor Bortolin,  
That the minutes of the Development Charges Task Force of its meeting held March 11, 2015 **BE ADOPTED** as presented.  
Carried.

5. **PRESENTATIONS**

5.1 **Presentation by Shane Mitchell**

An e-mail dated March 13, 2015 from Shane Mitchell entitled "DC Task Force – Proposal for DC Rate and Area Specific Reductions" and an Area Map are distributed and **attached** as Appendix "A. The guiding principles as outlined in the e-mail are as follows:

- Growth must pay for itself and not burden the existing tax base.
- Infill which adds density (upward growth) in any part of Windsor's currently urbanized land area is of less burden financially than new outward sprawl on greenfield land.
- Growth within our urban centre requires incentive and needs to be more appealing to developers than in suburban or rural areas to encourage redevelopment of brownfields and underutilized lands.
- Suggests proceeding with Hemson's recommended city wide rates in full with three area specific rate reductions to encourage infill within all of Windsor's currently built up areas and to offer greater incentives for urban areas of higher density and development priority.

O. Colucci remarks in terms of an intensification effort, he suggests a comprehensive planning study. T. Hunt responds the areas of Walkerville and Riverside are stable. The focus

would be on the unstable areas of the City to ensure the reductions are appropriate. He estimates the comprehensive planning study would require nine months to a year to complete.

O. Colucci suggests a by-law be crafted that would not preclude the zones and rates.

P. Valente indicates the rates outlined in the report by Administration have increased greatly and notes the high rates will “kill investment”.

In response to a question asked by T. Rosati regarding if the “zone concept” has been considered in other municipalities, C. Binning responds this has not been undertaken “city wide”.

## **5.2 Presentation by Evangelo Kalmantis**

The document entitled “Windsor 2015 to 2020 Setting the Table to Attract Development” submitted by Evangelo Kalmantis is distributed and attached as Appendix “B”. E. Kalmantis indicates he concurs with the submission by S. Mitchell and notes this is a greater regional issue, however, there are some disagreements with the submission by T. Rosati, A. Schepers and P. Valente.

## **5.3 Presentation by Pietro Valente**

The document entitled “Windsor 2015 to 2020 Setting the Table to Attract Development” submitted by R. Rosati, A. Schepers, and P. Valente is distributed and attached as Appendix “C”.

Councillor Bortolin refers to item #4 in the foregoing submission which states “In 1971 the population of the City of Windsor was 209,000. As you are aware, there has been limited growth within the City boundaries since that time.” He states that development charges over the past 40 years increased development but not growth as it relates to population.

P. Valente retorts that the population growth has increased since 1994, especially in the County.

Councillor Bortolin advises development charges are set for cost recovery for capital assets and growth. He states Mr. Valente is requesting the proposed rate of \$16,000 per unit for a residential single family detached home and the City is proposing \$26,874. He states the \$11,000 differential between the two rates would have to be absorbed by the taxpayers.

O. Colucci notes that the recommended rates are 49% below the fully calculated allowable rates which is a significant concession based on past practice, and an acknowledgement of the input received through the consultation process with the development community. He further states the current DC rates are well below the provincial average based on the 2014 BMA Municipal Study, which shows that across the province, the average fee for residential-single family detached homes is \$27,614. This is much higher than Windsor’s current \$18,291 and slightly higher than the new calculated rate of \$26,874.

O. Colucci states the submissions by the non-voting members of the Task Force will be forwarded to City Council and he also invites the members to attend the Council meeting.

## 6. BUSINESS ITEMS

### 6.1 2015 Development Charges – Administrative Recommendations

The PowerPoint Presentation by Craig Binning, HEMSON Consulting Ltd. entitled “City of Windsor Development Charges Study DC Task Force Meeting #4, March 27, 2015” is attached as Appendix “D”. The highlights of the PowerPoint are as follows:

- DCs proposed to be phased in over 5-year life of the by-law (25% of increase in the first year)
- Annual increases based on percentage of actual development activity compared to what was forecast
- Allows development industry to adjust to new rates
- Rate increases based on actual development activity
- Charges calculated as follows:
  - Area 1: reduction of 25% of engineered services
  - Area 2: reduction of 50% of engineered services
  - Area 3: reduction of 75% of engineered services
- Designed to encourage infill and intensification in the City Core
- Service area boundaries not proposed to change at this time
- Proposed non-residential categories: Industrial and Non-Industrial
- Rates based on shares of employment growth to 2024
- Retail and Other categories combined into Non-Industrial due to small amount of projected growth
- Industrial Exemption: 100% exemption from the payment of DC’s for industrial development in 2010 by-law proposed to continue
- Intended to help keep costs down and to retain industrial plants in the City
- Council approved rates and phase-ins should be indexed annually based on CPI index

T. Rosati suggests Development Charges be collected from the builders at the time of occupancy rather than prior to the build.

P. Valente expresses concern that buildings are now built on “speculation”, that is part of the building must be constructed in order to determine public interest. He questions if the City can pass a by-law maintaining the current DC rates until the planning studies have been completed.

C. Binning reports the maximum life of the by-law is five years and indicates City Council must pass a new Development Charges By-law.

In response to a question asked by Councillor Bortolin regarding if builders can pay the development charges at the time of occupancy, O. Colucci responds it would be a cost to the City as there would be an enforceability issue regarding the collection of fees.

C. Binning states that under the new provincially proposed DC changes that have been announced, the collection of fees cannot be deferred to the time of occupancy, as the fees must be collected at the issuance of the first permit.

Moved by Councillor Holt, seconded by Councillor Bortolin,

That the Development Charges Task Force **RECOMMEND TO CITY COUNCIL** that the new 2015 Development Charges (DC) Bylaw be approved on the basis of the following main parameters:

1. **Phased-in implementation of the new DC rates calculated by Hemson Consulting (detailed in Appendix A) in accordance with the governing legislation.** More specifically, that the new rates be phased in over the five year life of the bylaw with one quarter of the increase to be implanted at the inception of the new bylaw, followed by annual increases at the bylaw's anniversary dates based on a formula that takes into account the percentage of actual building activity compared to the forecasted building activity for the 5 year period of the DC Bylaw.
2. **Continuance of the area specific discounts policy.** The currently defined Areas and corresponding discount rates (Area 1: 25%, Area 2: 50% and Area 3: 75%) should continue with their currently defined boundaries and exemption rates until such time as review of all the factors that can impact on development activity in the various City neighbourhoods.
3. **Differentiated non-residential DC charge.** The practice of the 2010 bylaw of differentiating between "Industrial", and "Other" non-residential development should continue. The "Other" non-residential categories should be included in the phased-in increase process as well as in the area specific exemptions as detailed in Recommendations 1 and 2.
4. **Industrial development exemption policy should continue.** The current practice of exempting all industrial development from development charges should continue in the 2015 bylaw.
5. **The council approved DC rates should continue to be adjusted annually based on the CPI index.** This will allow the DC revenues purchasing power to keep pace with the increasing costs of development expenditures;

And further, that Administration **BE DIRECTED** to embark upon developing a comprehensive Planning Study in order to re-examine the current development charge exemption areas and to determine whether or not boundary and exemption adjustments could increase urban, commercial and residential intensification and once the Study has been completed, that

the corresponding Administrative recommendations **BE INCORPORATED** into the current development charge regime.

Carried.

The Chair questions if there is a possibility of employing a consultant on a part-time basis to undertake the planning study. T. Hunt responds the study will predominantly be done in-house with possibly a consultant that would undertake parts of the study.

7. **OTHER BUSINESS**

None.

8. **ADJOURNMENT**

There being no further business, the meeting is adjourned at 3:40 o'clock p.m.

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CHAIR

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COMMITTEE COORDINATOR

**AGENDA**  
**of the**  
**DEVELOPMENT CHARGES TASK FORCE**  
**Friday, March 27, 2015**  
**1:30 p.m.**  
**Council Chambers, 3<sup>rd</sup> floor, City Hall**

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1. **CALL TO ORDER**

2. **DECLARATIONS OF CONFLICT**

3. **ADOPTION OF THE MINUTES**

Adoption of the minutes of the meeting of the Development Charges Task Force held on March 11, 2015-- *(to be e-mailed)*.

4. **BUSINESS ITEMS**

4.1 **2015 Development Charges – Administrative Recommendations**

The report of the Deputy City Treasurer and the Executive Initiatives Coordinator dated March 20, 2015 entitled “2015 Development Charges – Administrative Recommendations” – *attached*.

5. **OTHER BUSINESS**

6. **ADJOURNMENT**

## Kadour, Karen

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**From:** Shane Mitchell [williamsmitchell@gmail.com]  
**Sent:** Friday, March 13, 2015 1:37 PM  
**To:** Kadour, Karen; Payne, Hilary; Bortolin, Rino; Holt, Chris; Sleiman, Ed; evangelio (ekalmantis@integral-arch.com); pvalente@valentecorp.com; tony.rosati@rosatigroup.com; albert@gsengineering.ca; Hunt, Thom  
**Subject:** DC Task Force - Proposal for DC Rate and Area Specific Reductions  
**Attachments:** AREA MAP.jpg

Good afternoon everyone.

I've attached a my recommendation for revisions to current area specific charges to be included as part of this DC by-law.

The attached proposal is based on 3 guiding principals:

1. Growth must pay for itself and not burden the existing tax base.
2. Infill which adds density (upward growth) in any part of Windsor's currently urbanized land area is of less burden financially than new outward sprawl on greenfield land.
3. Growth within our urban centre requires incentive and needs to be more appealing to developers than in suburban or rural areas to encourage redevelopment of brownfields and underutilized lands.

Based on these guiding principals I suggest proceeding with Hemson's recommended citywide rates in full, with 3 area specific rate reductions to encourage infill within all of Windsor's currently built up areas and to offer greater incentives for urban areas of higher density and development priority.

*Note: The attached map is a general direction and the exact boundaries between zones should be finalized by administration.*

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Shane Mitchell