

**Interim Development Charges Task Force
Sandwich South Planning District (SSPD)
Meeting held May 10, 2018**

A meeting of the Interim Development Charges Task Force – SSPD is held this day commencing at 3:00 o'clock in the Council Chambers, 3rd floor, City Hall, there being present the following members:

Councillor Hilary Payne
Councillor Rino Bortolin
Councillor Ed Sleiman

Regrets received from:

Councillor Chris Holt
Tony Rosati

Guests in attendance:

Philippa Von Ziegenweidt
Caroline Taylor

Also present are the following resource personnel:

Craig Binning, Project Director, HEMSON Consulting Ltd.
Julia Cziraky, Day-to-Day Consultant, HEMSON Consulting Ltd.
Tony Ardovini, Deputy Treasurer - Financial Planning
Shelby Askin-Hager, City Solicitor
Onorio Colucci, CAO
Natasha Couvillon, Manager, Performance Measurement
Anna Godo, Engineer III
Tom Hunt, City Planner
Joe Mancina, City Treasurer
Chris Manzon, Senior Manager of Pollution Control
Norbert Poggio, Director Water Engineering, Enwin
Gary Rossi, Vice President of Enwin Water Operations
France Isabelle Tunks, Senior Manager, Development Projects, R.O.W.
Wira Vendrasco, Deputy City Solicitor
Mark Winterton, City Engineer
Pat Winters, Development Engineer
Karen Kadour, Committee Coordinator

1. Call to Order

The Chair calls the meeting to order at 3:00 o'clock p.m. and the Task Force considers the Agenda being Schedule "A" attached hereto, matters which are dealt with as follows:

2. Declarations of Conflict

None disclosed.

3. Adoption of the Minutes

Moved by Councillor Bortolin, seconded by Councillor Sleiman,
That the minutes of the Interim Development Charges Task Force – Sandwich South Planning District of its meeting held March 7, 2018 **BE ADOPTED** as presented.
Carried.

4. Business Items

The presentation entitled "City of Windsor Interim Development Charges Study for the Sandwich South Planning District Task Force Meeting #2" provided by Craig Binning and Julia Cziraky, HEMSON Consulting Inc. is distributed and **attached** as Appendix "A". The highlights of the presentation are as follows:

- The lands encompass two Secondary Plan areas:
 - East Pelton Secondary Plan (2009)
 - County Road 42 Secondary Plan (2018)
- There are two active planning applications within the Secondary Plan areas:
 - 748 residential units (East Pelton)
 - Windsor Regional Hospital (County Road 42)
- The City has identified preliminary infrastructure works necessary to allow development to proceed.
- At the time of the 2015 DC Background Study, limited growth was expected in Sandwich South over the near term.
- The City is examining an interim area specific DC (ASDC) By-law for the Sandwich South Planning District.
- The interim ASDC rates address the engineering infrastructure that includes:
 - Roads and related
 - Sanitary Sewage collection system
 - Storm Sewer and Municipal Drains
 - Water Services distribution system (WUC)
- The existing City-Wide DC rates for the above services would not apply in ASDC area but the following City-Wide DC rates would apply:

- All General Services
- Wastewater Treatment
- Anticipate aligning by-laws as part of 2020 update.
- The Sandwich South ASDC will consider a planning period of 2018-2036
- Types of development includes:
 - Residential: population and dwelling units
 - Non-residential; non-residential floor space and employment
- Capital Costs have been adjusted as follows:
 - Capital grants, subsidies and other recoveries
 - Benefit to existing shares
 - 2015 City-wide DC shares
 - Post period benefit shares
- Roads and related, the Capital program includes:
 - Urbanization of 7th, 8th and 9th Concession, Baseline Road
 - New road construction: Collector roads, Lauzon Parkway
- Sanitary Sewers, the Capital program includes:
 - 9th Concession and Legacy Park Drive sanitary sewer construction
- Storm Sewer & Municipal Drains, the Capital program includes
 - Upper Little River SWM Plan
 - Little River Drain Improvements
- Water, the Capital program and all adjustments as per WUC Water Servicing Plan Update 2018
- Key steps for calculation of rates:
 - Allocate costs between residential and non-residential sectors
 - Prepare cash flow analysis to reflect project and development timing
 - Calculate charges – Residential – per dwelling unit type and Non-Residential – per square metre of GFA
- Policy Recommendations include:
 - ASDC rates apply to East Pelton and County Road 42 Secondary Plan areas only, but that the specific boundary was still being reviewed to cover the broader area.
 - Development within these areas to continue to be subject to City-wide General Services and Pollution Control charges
 - Non-statutory exemptions to maintain consistency with City-wide DC by-law
 - Next DC by-law review to occur in 2020
 - Consider combining City-wide and ASDC by-laws at this time

Councillor Bortolin refers to the presentation provided by the Consultant and asks for an explanation relating to the benefits to existing city-wide shares. C Binning replies the benefit to existing in the amount of \$108,223 M as outlined in the Capital Program Summary is not eligible for funding under the *Development Charges Act* and is not related to developments specifically so it requires funding from non-development charge sources. The portion outlined under “City-wide shares” in the amount of \$70,595M is related to development that is outside of the Sandwich South area and the shares in these projects were previously identified in the city-wide Development Charges by-law recovery and would be updated in 2020.

In response to a question asked by Councillor Bortolin regarding the alignment of the two areas in 2020, and if that would require one singular rate or one by-law, C Binning responds he recommends that the City would re-examine that. His expectation is there would be a reasonableness of having an area specific rate applicable to the Sandwich South area that is greater than development elsewhere in the city. He wants to ensure there is an alignment between the projects and the costing included both in the city-wide and the charges in the Sandwich South area.

Councillor Bortolin refers to the Capital Program Summary and the chart outlining the Sandwich South DC Share 2018-2036 and Post-2036. C. Binning indicates that the term Post 2036 was used due to the focus on the development of the two secondary plans. If other parts of the Sandwich South receive it sooner than that, then shares of the \$348,284M would move into a period of recovery earlier than that. It will require the City to examine the nature of the Capital Programs to determine if some of the costs can be pushed out later to more align with the timing of the development. Alternatively, if infrastructure is required, and there is a choice to use some debt financing, the financing costs associated with doing that are also eligible for recovery through development charges rates.

Councillor Sleiman refers to the Total Capital Program in the amount of \$850,358M and asks if a developer is paying for lights, and roads, is this is on top of the cost of installing a trunk for a sewer? C. Binning responds when a developer comes forward with a subdivision or site plan, if internal infrastructure is required; they are responsible for the local parts as part of their application and their direct costs. What we are dealing with is the infrastructure needs to get the water through the distribution trunk mains to the site to get the sewage system in place for the broader storm water management needs and the significant amount of road infrastructure that is not local in nature.

Councillor Bortolin questions why industrial development is exempt from development charges. C. Binning states this is an important policy decision and adds the City historically exempted the industrial sector. He notes if there is one type of development that can be sensitive with up front costs, it is the industrial types of development as they can typically pick lands with a broader consideration because people will drive further to go to expanding land based jobs. So land prices and up front capital costs can influence industrial development decisions so, in the economical development and planning framework in the city, there has been a practice to exempt these lands.

Councillor Bortolin asks if any consideration was given to the use of brownfield lands that are currently available in the city versus the greenfield sites that are available in the Sandwich South area. He adds he is interested in adding development charges for industrial at a full amount in the Sandwich South area to push away development into the interior of the city in order to utilize brownfield sites that are already empty and waiting for development.

The Chair states the Consultant would always act in accordance with the existing City Policy and the existing City Policy is to exempt industrial lands.

C. Binning advises in terms of the way the rates have been calculated, he indicates they have not removed the industrial development potential from the calculation in the rates and shifted the recovery to the other parts of development as they are in the denominator of their rate calculation. By exempting industrial, that would result in a loss of development charges revenue in the area.

Councillor Bortolin states with respect to the industrial development, was a stock analysis of the amount of land that the city has specifically deemed as brownfields as there is an interest to redevelop and incentivize brownfield development. He asks if any consideration was given to not incentivizing industrial development on greenfield land and to actually push development on internal brownfield development lands.

T. Hunt explains they looked at the number of sites available for various types of opportunities. He notes they are aware that some of the sites that are available for a brownfield or industrial standpoint, not a large enough size that would necessarily attract the kind of development that we see likely headed to the annexed lands is available. There are incentives to develop brownfield sites through the Community Improvement Plan, which is city-wide for the brownfields themselves. He indicates not all brownfield sites are created equal; some are a little upside down in terms of their value because of the cost to remediate them relative to the amount of contamination that may be present.

Councillor Bortolin asks for clarification purposes, is the hospital zoned industrial or is it commercial institutional. T. Hunt responds the hospital site has a major institutional land use designation and he adds the hospital would be applicable for development charges.

Councillor Sleiman refers to the Town of Leamington and their decision to waive development charges. The Chair advises the Town of Leamington made the decision to eliminate development charges, which means whatever funds they would have received from development charges will now be loaded to the taxpayer. At this time, Windsor City Council has applied the maximum permissible development charges under the legislation.

In terms of the alignment of the Area Specific Development Charges and the city-wide development charges, T. Ardovini reports in 2020 the city is required to update the 5 year by-law for city-wide development charges. In 2020, the city will be revisiting the area specific development charges by-law to determine if the two areas can be aligned into two separate bylaws or one by-law. It is important to note the projects will be aligned so they are not double counted or any are missed so when they are done together, you can more easily allocate the projects city-wide versus area specific.

The Chair refers to the amount of \$40,726 as the Sandwich South ASDC Rate that the developer will pay for a single detached unit. In order to avoid any misunderstanding,

the Chair requests that the notation that the City's overlay is included in this amount be added.

Moved by Councillor Bortolin, seconded by Councillor Sleiman,

That the Interim Development Charges Task Force for the Sandwich South Planning District (SSPD) **RECOMMEND TO CITY COUNCIL** that the new 2018 Development Charges (DC) By-law for the SSPD **BE APPROVED** on the basis of the following main parameters:

1. The Implementation of the new Area Specific DC rates for the Sandwich South Planning District as calculated by Hemson Consulting (detailed in Appendix A) in accordance with the governing legislation. More specifically, that the new rates be implemented in full as calculated in the Interim Development Charges Background Study for the SSPD.
2. That the Industrial development exemption policy should continue. The current practice of exempting all industrial development from development charges should continue in the new area specific DC Bylaw.
3. That the new Area Specific DC rates for the SSPD be adjusted annually in accordance with the most recent annual change in Statistics Canada Quarterly Construction Price Statistics (Catalogue No. 62-007). This will allow the DC revenues to preserve purchasing power to keep pace with the increasing costs of development expenditures and remain consistent with the City-Wide Bylaw.
4. That the two DC Bylaws (i.e. City-Wide and Interim ASDC) be aligned as part of the 2020 DC Bylaw update.
5. That the current City-Wide Bylaw #60-2015 remain in effect for the remainder of the City.

Carried.

5. Adjournment

There being no further business, the meeting is adjourned at 4:02 o'clock p.m.

CHAIR

COMMITTEE COORDINATOR