
TO: GENERAL COMMITTEE

SUBJECT: CITY-WIDE DEVELOPMENT CHARGE BY-LAW

PREPARED BY AND KEY CONTACT: C.MILLAR, MBA, CGA, DEPUTY TREASURER *Craig millar*

SUBMITTED BY: D. MCKINNON, CGA, DIRECTOR OF FINANCE *Craig millar on behalf of D. mckinnon*

GENERAL MANAGER APPROVAL: E. ARCHER, CMA, GENERAL MANAGER OF CORPORATE SERVICES *EJA*

CHIEF ADMINISTRATIVE OFFICER APPROVAL: CARLA LADD, CHIEF ADMINISTRATIVE OFFICER *CL*

RECOMMENDED MOTION

1. That the City of Barrie Development Charge Background Study dated November 23, 2012 for City-wide Development Charge By-law, be approved under Section 10 of the *Development Charges Act, 1997* (the DCA).
2. That no further public meetings are required pursuant to Section 12 of the *Development Charges Act, 1997*.
3. That the necessary by-law be enacted and By-law 2008-111 be repealed.

PURPOSE & BACKGROUND

4. The purpose of this report is to update Barrie's city-wide development charge by-law. The current city-wide development charge by-law (2008-111) expires on June 16, 2013. To be compliant with the provisions of the *Development Charges Act, 1997*, a new background study must be completed and a replacement by-law passed by June 16, 2013, in order for the City to continue to levy a city-wide development charge.
5. Development charges are used by municipalities to fund the capital cost of major works related to new growth based on legislative requirements. They are levied on residential, industrial, commercial, and institutional development at either subdivision approval for engineered services (at the option of the City) or at building permit issuance for new residential units and industrial/commercial/institutional floor area.
6. As previously communicated to Council, the City is using a two-phased approach to updating the Development Charge (DC) background study. With the Annexed Lands Secondary Plan and City-wide Infrastructure Master Plans project expected to be completed by the middle of 2013, and in order to be compliant with the DC Act, Staff are following the timelines noted in the following table:

	DC Background Study Parameters	Key Deliverable Dates
Phase I	Update to the existing DC background study <u>excluding</u> Annexed Lands Secondary Plan and updated City-wide Infrastructure Master Plans	1.) <i>November 22, 2012</i> – Public Information Session (City Hall). 2.) <i>November 23, 2012</i> – Draft background study released to the public. 3.) <i>December 10, 2012</i> – Public Meeting. 4.) <i>February 2013</i> – Staff Report and related By-Law Passing
Phase II	Comprehensive update to the DC background study <u>incorporating</u> the Annexed Lands Secondary Plan and updated City-wide Infrastructure Master Plans	December 2013 (Dates and times of information sessions and public meeting to be determined pending approval of Annexed lands project).

7. A public information session was held at City Hall on November 22, 2012 by staff along with consultants Watson & Associates Economists Ltd. The information session was well attended and provided an opportunity for members of the public and the developer community to understand the approach and related calculated rates in the background study. As required under the DC Act, the background study was made available to the public on November 23, 2012 with the public meeting held on December 10, 2012. Only one written submission was received with the questions and responses contained in Appendix A.
8. The City's current DC by-law under section 9(2) includes discounted charges related to the City Centre Planning area (100% reduction for non-residential uses, and 50% reduction for residential uses), non-profit institutional uses (50% reduction), and reduced rates for both industrial and retail uses. It is estimated that from 2008 to 2012, the discounted development charges under section 9(2) of the current DC by-law has resulted in approximately \$13 million of lost DC revenues.

ANALYSIS

9. The following table compares the calculated and recommended rates from the November 23, 2012 DC background study against the current rates under By-law 2008-111:

Type of Development	Current Rate (as of January 1, 2013)**	November 23, 2012 Background Study Calculated Rates	Recommended Rates	% (Recommended vs. Current Rate)
Residential (per unit):				
Single and semis	\$ 28,867	\$ 30,707	\$ 30,707	6.4%
2-Bedroom & Larger Apts	16,878	17,756	17,756	5.2%
Bachelor & 1-Bedroom Apts	14,213	13,050	13,050	(8.18%)
Multiples (per dwelling unit)	25,050	22,955	22,955	(8.4%)
Non-Residential (per sq ft of gfa):				
Retail	\$ 17.25	\$ 16.77	\$ 16.77	(2.8%)
All Other				
Office	15.72	13.61	13.61	(13.42%)
Institutional	15.72	13.61	13.61	(13.42%)
Industrial	11.08	13.61	11.08	-

**Current rates reflect discounts provided under Section 9(2) (c) and (d) provided for industrial and retail uses

10. As explained in the DC background study, the calculated rates are in accordance with the Development Charges Act, 1997, using population and employment growth forecasts, the growth-related costs for eligible services from the Capital Plan and various master plans.
11. Growth forecasts in the 2012 background study include more intensification compared to the 2008 DC background study. As a result, this has partially contributed to the increases in the recommended single and semi residential rates, as well as decreasing the non-residential recommended rates. For municipal services where costs are allocated based on a ratio of population/employment, assuming other factors are constant, intensification shifts costs from non-residential to residential.
12. The 2008 DC background study used the 2001 Census population per unit (ppu) to calculate the residential charges by development type; the 2012 background study incorporated the 2006 Census ppu's. The ppu's for small apartments and multiples decreased (2001 vs. 2006) at a greater rate than the ppu's for singles, semis, and large apartments. The net result of this change has contributed to increasing the recommended rates for singles and semis, while decreasing the rates for multiples and small apartments.
13. Staff are recommending the calculated rates in the background study be approved, including continuing the exemptions described in section 9(2) of the current DC by-law related to the City Planning area, non-profit institutions and industrial uses. Since the calculated retail rate is slightly lower than the current discount rate, staff are recommending the calculated retail rate be approved. See appendix B for the recommended draft by-law.
14. Appendices C to F provides comparison of the City of Barrie's current and proposed rates against other municipalities within the surrounding areas and/or of similar size.

Discounted Development Charges:

15. The Development Charges Act does not permit the recovery of costs associated with Waste Management Services, headquarters for general administration, cultural, entertainment or tourism facilities. The DC Act requires a 10% reduction of capital costs associated with soft services such as libraries and recreation facilities. In addition, the DC Act further limits the amount of recoverable costs by deducting amounts in excess of 10 year historic service calculations, which is particularly challenging for municipalities incurring significant growth within a short period of time. Ultimately, the DC Act does not permit the full cost of growth to be recovered through DC's
16. Incorporating discounts into the City's DC by-law combined with inherent reductions and exemptions permitted under the DC Act, only further burdens existing property owners and rate users to pay for a larger portion of growth related capital costs. Therefore, at this time no discounts are being recommended beyond those identified in section 9(2) of the by-law.
17. In phase II of the DC background study update, which will incorporate completed costing information for the annexed lands and related infrastructure master plans, staff along with consultants Watson & Associates Economists LTD, will be reviewing the impact of such discounts and making appropriate recommendations. Pending the completion of the works associated with the annexed lands, it is expected phase II of the DC background study and related By-law passing will be completed by the end of 2013.

Ancillary Buildings

18. Mayor Lehman and Council have requested staff to investigate the merits of discounting DC's for ancillary buildings in industrial developments (see appendix F). In consultation with the City's building department, economic development department and Watson's and Associates Economists LTD, staff are recommending that this issue, in conjunction with reviewing all existing DC discounts in the City's DC by-law, be addressed in phase II of the DC background study.

ENVIRONMENTAL MATTERS

19. There are no environmental matters related to the recommendation.

ALTERNATIVES

20. There are three alternatives available for consideration by General Committee:

Alternative #1

General Committee could alter the recommended rates to exclude the discounts contained in section 9(2) of the proposed by-law related to the City Centre Planning Area, non-profit institutions, and industrial uses.

This alternative is not recommended as Staff will be reviewing all discounts as part of phase II of the DC By-law update that will incorporate all costs associated with the Annexed lands and related Infrastructure Master Plans. The proposed By-law and related rates are expected to continue only until the end of 2013, with new revised rates expected in early 2014 based on the phase II background study update.

Alternative #2

General Committee could insert the following paragraph into the proposed DC by-law under section 9(2) to provide a discount for existing industrial facilities to build an ancillary storage building:

Notwithstanding the table of development charges set out in Schedule "A", one accessory building to an existing industrial building be charged \$2 per square foot subject to indexing in accordance with section "6". The accessory building cannot contain any water or sewage services, must be used for accessory storage only, must contain an accessory use to an existing industrial use in the principle building on the same lot, and cannot exceed 10% of the existing principle building or 250 m² whichever is less.

This alternative proposes charging \$2 per square foot, compared to the already discounted rate of \$11.08 per square foot, as well as defining the use and limiting the maximum size. This alternative is not recommended as current discounts are being recommended to be included in the proposed by-law. Phase II of the DC background study update, expected to be completed by December 2013, will review all discounts including the issue of ancillary storage sheds.

Alternative #3

General Committee could postpone the effective date of implementing the new rates and related DC- Bylaw from the proposed date of February 12, 2013 until a date no later than June 16, 2013.

This alternative is not recommended as the rates contained in the background study represent updated costing and growth forecasting numbers compared to the current DC by-law. In addition, the proposed By-law recommends continuing existing discounts, except for retail with the calculated rate being lower than the current discounted rate.

FINANCIAL

21. The proposed DC by-law is expected to be in effect for the remainder of 2013 or approximately 10 months. Assuming the development activity in 2013 for the City of Barrie is similar to 2012, it is expected total DC revenues over the next 10 months under the proposed DC By-Law will collect approximately \$7.5 million. It is estimated the discounts under section 9(2) will result in the forfeit of approximately \$1.2 million of DC revenue.
22. The development charge rates approved by Council cannot be greater than the calculated rates included in the DC background study (see table in paragraph 9). DC costs related to one land use (e.g. non-residential) cannot be cross-subsidized through the DC on another land use (e.g. residential)

LINKAGE TO COUNCIL STRATEGIC PRIORITIES

23. The recommendations included in this Staff Report support Council's goal to strengthen Barrie's financial condition.

APPENDIX "A"

QUESTIONS/COMMENTS RECIEVED

Question	Answer
<p>1. Exemptions – Would any buildings associated with a University or College be exempt from DC's even if owned by the private sector as opposed to the University or College directly.</p>	<p>As described under section 9(1) (f) of the proposed by-law, the exemptions apply to lands owned by and used for the purposes of a College or University.</p>
<p>2. The report suggests 8,000,000 s.f. of growth in non-residential over the next ten years. This number is excessive as it fails to take into account the significant vacancies and very low demand currently for this type of space. How is it determined other than on historical figures?</p>	<p>As described in section 3 of the background study, a number of sources have been used for growth forecasts, including the City of Barrie Growth Management Strategy, Phases 1 through Phase 6, February 1, 2012 and the Growth Plan for the Greater Golden Horseshoe, 2006, Ontario Ministry of Infrastructure.</p> <p>Ultimately, forecasted population growth and related employment growth are the drivers of the non-resident growth.</p>
<p>3. While the provincial law requires a new DC study once every five years, is there not a way to avoid a complete study now and then again in order to accommodate the expansion lands?</p>	<p>To be compliant with the DC Act, and permitted to charge DC's, a full background study must be completed before June 2013. In order to ensure the DC rates incorporate the annexed lands costs, from a financial perspective, it is in the City's best interest to update the background study before issuing permits in the annexed lands.</p>
<p>4. Why is there no post period benefit for Infrastructure costs related to roads?</p>	<p>Post period benefits are allocated when eligible capital costs exceed the current service levels which are based on a 10 year average. As explained in Appendix C of the background study, the capital road program will not result in a better level of service at completion than existing conditions, or the average over the last 10 years.</p>
<p>5. Why has 100% of the Grants, Subsidies etc for Roads been applied to benefit to existing development?</p>	<p>Any grants or subsidies are deducted from the total costs of the project, reducing the amounts eligible for DC recovery.</p>
<p>6. Why have such major percentages of road costs in developed areas been attributed to growth? Example page C-8 Anne Street – Donald to Dunlop – 90% growth?</p>	<p>As described in Appendix C of the background study, the approach used to calculate the growth-related share of costs for Arterials and Major Collectors is consistent with previous background studies (1999, 2003, and 2008). The main criteria for assigning growth percentages include: new road vs. expansion/upgrading existing road, works generated directly by extension of development into Greenfield area; continuity requirements, linking new growth areas to the existing City; condition of existing roadway; amount of upgrading to match functional classification; and traffic volume increases.</p>

<p>7. Water Services 5.3.3 – The water consumption per employee at work is higher than at home. How are these figures determined</p>	<p>As noted in the background study, the residential number includes the average day demand plus the max day number. While the non-resident number is based on an average per (net) employee from the 2008 DC Study.</p>
<p>8. This study will be passed in 2013. Why are the charges (see page 5-18) from the surface water treatment plant which is complete as of today's date included?</p>	<p>As permitted under the DC Act, the debt charges associated with SWTP are permitted to be included as part of the DC calculation.</p>

APPENDIX B

THE CORPORATION OF THE CITY OF BARRIE

BY-LAW NUMBER 2013-_____

A By-law of The Corporation of the City of Barrie to establish municipal-wide development charges for the City of Barrie and to repeal By-law 2008-111 and all amendments thereto.

WHEREAS pursuant to the subsection 2(1) of the *Development Charges Act, 1997, c.27*, a council of a municipality may pass by-laws to pay for increased capital costs required because of increased needs for services arising from development if the development of the land requires certain consents, approvals, amendments, conveyances or an issuance of a building permit;

AND WHEREAS, on February __ 2013, the Council of The Corporation of the City of Barrie approved a report entitled "City of Barrie Development Charge Background Study for City-Wide Development Charge By-law" dated November 23rd, 2012, as amended which report indicates that the development of land within the City of Barrie will increase the need for services;

AND WHEREAS a public meeting has been held before passage of this by-law with notice given and sufficient information made available to the public pursuant to s.12 of the *Development Charges Act, 1997*;

AND WHEREAS the Council in adopting General Committee Motion _____ as amended by resolution _____ on _____, 2013, directed that development charges be imposed on land under development or redevelopment within the geographical limits of the municipality as provided in this by-law;

AND WHEREAS the Council of The Corporation of the City of Barrie deems it expedient to pass such a by-law;

AND WHEREAS, on February __ 2013, the Council approved the report entitled "City of Barrie Development Charge Background Study for City-Wide Development Charge By-law" dated November 23rd, 2012, as amended, updating its capital budget where appropriate and indicating that it intends that the increase in the need for services to service the anticipated development will be met;

AND WHEREAS, on December 10, 2012, the Council determined that no further public meetings were required under section 12 of the *Development Charges Act, 1997*;

NOW THEREFORE the Council of The Corporation of the City of Barrie enacts as follows:

1. Definitions

ALL OTHER NON-RESIDENTIAL USE means all non-residential uses except industrial use and retail use;

APARTMENT DWELLING UNIT means any residential dwelling unit within a building containing more than four dwelling units where the residential units are connected by an interior corridor;

BEDROOM means a room which can be used as sleeping quarters but does not include a kitchen, bathroom, living room or dining room, but does include a den or study;

COMMERCIAL USE means lands, buildings or structures, other than residential or retail uses, to be developed within a commercial zone as defined as such within the City of Barrie's zoning by-law 2009-141, or any successor thereto, notwithstanding that such use may be described in Section 6.2 .1 Permitted Uses as uses other than within the "Commercial" category together with uses listed under the Commercial Category set out in Section 7.6 or a commercial use set out in Section 8.2, 9.2, 8.2.1 & 9.2.1 ;

DWELLING UNIT means a suite operated as a housekeeping unit used or intended to be used, as a domicile by one or more persons and usually containing cooking, eating, sleeping and sanitary facilities

EXISTING INDUSTRIAL BUILDING means a building used for or in connection with,

- a) manufacturing, producing, processing, storing or distributing something,
- b) research or development in connection with manufacturing, producing or processing something.
- c) Retail sales by a manufacturer, producer or processor of something they manufactured, produced or processed, if the retail sales are at the site where the manufacturing, producing or processing takes place,
- d) Office or administrative purposes, if they are,
 - (i) carried out with respect to manufacturing, producing , processing, storage or distributing of something , and
 - (ii) in or attached to the building or structure used for that manufacturing, producing, processing, storage or distribution.

GROSS FLOOR AREA (gfa) means the total floor area, measured between the outside or exterior walls or between the outside of exterior walls and the centre line of party walls dividing the building from another building, of all floors above the average level of finished ground adjoining the building at its exterior walls and shall include mezzanines, as defined by the Ontario Building Code. In the case of a non-residential building or structure, or in the case of a mixed-use building or structure in respect of the non-residential portion thereof, the total area of all building floors above grade measured between the outside surfaces of the exterior walls, or between the outside surfaces of exterior walls and the centre line of party walls dividing a non-residential use and a residential use;

INDUSTRIAL USE means lands, buildings or structures or units within such buildings or structures to be developed within an industrial zone and described in the list of uses under the "Industrial" category set out in Section 7.6 of the City of Barrie's zoning by-law 2009-141, or any successor thereto;

INSTITUTIONAL USE means, notwithstanding any other provisions of this By-law, lands, buildings or structures to be developed within an institutional zone as defined or listed as such within the City of Barrie's zoning by-law, 85-95, or any successor thereto, or uses defined or listed as institutional uses within the aforesaid zoning by-law located in other zones and shall be deemed to include long-term care facilities;

OTHER MULTIPLE DWELLING UNITS means all dwelling units other than single detached dwelling units, semi-detached dwelling units, and apartment dwelling units;

NON PROFIT INSTITUTION means

- a) a "registered charity" as defined in subsection 248(1) of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended;
- b) a corporation that is a non-profit organization for the purposes of paragraph 57(l)(b) of the *Corporations Tax Act*, R.S.O. 1990, c. C.40; or
- c) a "religious organization" as defined in subsection 1(1) of the *Religious Organizations' Lands Act*, R.S.O. 1990, c. R.23;

NON-RESIDENTIAL (OR A NON-RESIDENTIAL USE) means lands, buildings, or structures, or portions thereof designed, adopted or used for any purpose other than residential use;

RESIDENTIAL USE means lands, buildings, or structures designed or intended to be used as living accommodation for one or more individuals;

RETAIL USE means land, buildings or portions thereof used, designed or intended for use for the purpose of offering foods, wares, merchandise, substances, articles or things for sale directly or providing entertainment to the public and includes the rental of wares, merchandise, substances, article or things and includes offices and storage in connection with or related or ancillary to such retail uses. Retail uses include, but are not limited to: conventional restaurants, fast food restaurants, concert halls, theatres, cinemas, movie houses, automotive fuel stations with or without service facilities, specialty automotive shops, auto repairs, collision services, car or truck washes, auto dealerships, shopping centres, including more that two stores attached and under one ownership, department/discount stores, banks and similar financial institutions, including credit unions (excluding freestanding bank kiosks), warehouse clubs and retail warehouses;

SEMI-DETACHED DWELLING UNIT means a dwelling unit in a residential building consisting of two dwelling units having one vertical wall, but no other parts, attached to another dwelling unit where the residential units are not connected by an interior corridor;

SINGLE-DETACHED DWELLING UNIT means a residential building consisting of one dwelling unit and not attached to another structure.

2. Lands Affected

Where permitted pursuant to the provisions of the *Development Charges Act, 1997*, and not otherwise prohibited by such Act, or otherwise exempted by the provisions of this by-law, this by-law applies to all land, buildings and structures within the City of Barrie.

3. Calculation of Development Charges

- (1) Subject to the provisions of this by-law, development charges against land shall be calculated and collected in accordance with the rates set out in Schedule "A".
- (2) The development charge with respect to the use of any land, buildings or structures shall be calculated as follows:
 - (a) in the case of residential development or redevelopment, or the residential portion of a mixed use development, based upon the number and type of dwelling units;
 - (b) in the case of non-residential development or redevelopment, or the non-residential portion of a mixed use development or redevelopment, based on the gross floor area of such development or redevelopment.
- (3) In the event that it is not possible for the Manager of Zoning to determine with sufficient specificity the category of intended use for proposed buildings or structures or units within such buildings or structures thereof for which an application for building permit has been received within an industrial zone as defined within the City of Barrie's zoning by-law 85-95, or any successor thereto, the proposed use shall be deemed to be an industrial use for purposes of calculation of the development charge. In the event that at the time of the approval for occupancy of such buildings or structures or units within such buildings or structures, it can be determined with sufficient specificity that the use falls within the definition of a use other than an industrial use as set out in this by-law then the applicant shall be required to pay an additional amount being the difference between the development charges eligible for industrial uses and the non-industrial use.

4. Services for Which the Development Charge is Payable

The municipal services for which the development charge is imposed for development are:

TRANSIT
PARKS AND RECREATION
LIBRARY
ADMINISTRATION (GENERAL GROWTH RELATED STUDIES)
PROTECTION
ROADS AND RELATED
WATER
WASTEWATER
STORM WATER MANAGEMENT
PARAMEDICS

5. Timing of Calculation and Payment of Development Charges

- (1) Subject to the exemptions set out in this by-law or by statute or regulation, development charges shall be calculated and payable in full in money or by provision of services as may be agreed upon, or by credit granted by the Development Charges Act, 1997 on the date that the first building permit (which shall be deemed not to include a conditional permit) is issued in relation to a building or structure on land to which a development charge applies with respect to any new or additional gross floor area or any additional dwelling units, or in a manner or at a time otherwise lawfully agreed upon.
- (2) Where development charges apply to land in relation to which a building permit is required, the building permit shall not be issued until the development charge has been paid in full.
- (3) Notwithstanding subsections (1) and (2), at the sole and unfettered discretion of the municipality, an owner may enter into an agreement with the municipality, to provide for the payment in full of a development charge before or after building permit issuance.
- (4) Notwithstanding subsections (1), (2) and (3), a development charge with respect to engineered services as set out in Schedule "A" attached, may be payable at the option of the Corporation of the City of Barrie, with respect to an approval of a plan of subdivision or a severance under section 51 or 53 of the *Planning Act*, immediately upon entering into the subdivision/consent agreement, based upon the number and type of residential lots created, and, in the case of subdivision blocks, based on the maximum zoned capacity of each block pursuant to the City of Barrie's zoning by-law 85-95 as amended or any successor thereto.

6. Indexing of Development Charges

- (1) The development charges set out in Schedule "A" to this by-law shall be adjusted annually, without amendment to this by-law, commencing on January 1, 2014 and annually on the first of January thereafter in accordance with the most recent available twelve month change in the Statistics Canada Quarterly, "Capital Expenditure Price Statistics" (Catalogue 62-007)".
- (2) Notwithstanding subsection (1), the development charges set out in Schedule "A" shall be adjusted, without amendment to this by-law, on January 1, 2013, based on the most recent available six month change in the Statistics Canada Quarterly, "Capital Expenditure Price Statistics" (Catalogue 62-007)".

7. Multiple Charges

- (1) Where two or more of the actions as set out in Subsection 2(2) of the *Development Charges Act, 1997* are required before land to which a development charge applies can be developed, only one development charge shall be calculated and collected in accordance with the provisions of this by-law.

- (2) Notwithstanding subsection (1), if two or more of the actions set out in Subsection 2(2) of the *Development Charges Act, 1997*, occur at different times, and if the subsequent action has the effect of increasing the need for municipal services as designated in this by-law, an additional development charge shall be calculated in accordance with the provisions of this by-law.

8. Accounting for Development Charges

- (1) Any development charges paid pursuant to this by-law shall be maintained separately from all other revenues or receipts of The Corporation of the City of Barrie.
- (2) The Treasurer of The Corporation of the City of Barrie shall maintain these monies in separate reserve funds as set out below for the services identified in this by-law and shall only permit the monies to be expended in accordance with the provisions of s.35 of the *Development Charges Act, 1997*:
 - (i) Protection
 - (ii) Roads and Related
 - (iii) Wastewater
 - (iv) Storm water management
 - (v) Water
 - (vi) All other services (parks and recreation, transit, library, administration, paramedic)
- (3) The Treasurer shall provide the Council with an annual statement, on a date directed by the Council, in respect of the reserve funds established under this by-law. This statement shall contain the required information, as set out in s.s.12(1) of O.Reg. 82/98.

9. Exemptions and Discounts

- (1) The following designated categories of uses are exempt from the imposition of development charges otherwise payable under this by-law as noted below:
 - (a) all residential building permits not resulting in the creation of an additional dwelling unit;
 - (b) the addition of one or two dwelling units to an existing single-detached dwelling unit, where the total gross floor area of the additional unit(s) does not exceed the gross floor area of the existing dwelling unit;
 - (c) with respect to existing residential dwelling units other than existing single-detached dwelling units, where the additional dwelling unit has a gross floor area not greater than the gross floor area of the smallest existing dwelling unit (where the existing unit is a semi-detached or multiple family dwelling) or not greater than the gross floor area of the smallest dwelling unit contained in the residential building (in the case of any other residential building);
 - (d) land owned by and used for the purposes of The Corporation of the City of Barrie, any other municipality, the Simcoe County District School Board, the Simcoe-Muskoka Catholic District School Board (and any other school board defined in section 1(1) of the Education Act), or any local board or commission;
 - (e) places of worship which are exempt from taxation under Section 3 of the Assessment Act, R.S.O. 1990, c.A.31 as amended and public hospitals approved under the Public Hospitals Act, R.S.O. 1990, c.P.40 as amended;
 - (f) Community Colleges or Universities only for land owned by and used for the purposes of the Colleges or Universities;

- (g) additions to existing industrial buildings up to and including 50% of the existing gross floor area;
 - (h) redevelopment of lands where, by comparison with the land that was improved by occupied structures at any time within 60 months previous to the building permit issuance, no additional dwelling units are being created or additional non-residential gross floor area is added. If a development involves the demolition of and replacement of a building or structure, or the conversion from one principal use to another, the developer shall be allowed a credit equivalent to:
 - i) the number of dwelling units occupied within the preceding 60 months demolished/converted multiplied by the applicable residential development charge in place at the time the development charge is payable, and/or
 - ii) the gross floor area of the building occupied within the previous 60 months demolished/converted multiplied by the current non-residential development charge in place at the time the development charge is payable. The credit can, in no case, exceed the amount of the development charge that would otherwise be payable;
- (2) The following designated categories of uses are subject to discounted development charges as noted below:
- (a) notwithstanding the table of development charges set out in Schedule "A", 100% of the development charge chargeable for non-residential uses and 50% of the development charge chargeable for residential uses applies to lands contained within the City Centre Planning Area as set out in Schedule "A" of the Official Plan or any successor thereto;
 - (b) notwithstanding the table of development charges set out in Schedule "A", development of lands owned by a non-profit institution for institutional uses by the non-profit institution for their own purposes as to 50% of the development charge chargeable;
 - (c) notwithstanding the table of development charges set out in Schedule "A", industrial uses shall be charged a development charge of \$11.08 per square foot of gfa subject to being indexed in accordance with section 6.
- (3) The development charges under this by-law may be calculated in either imperial or metric measurements. For the purposes of metric calculations, one square metre equals 10.76 square feet and one hectare equals 2.47 acres.

10. By-law Registration

A certified copy of this by-law may be registered on title to any land to which this by-law applies.

11. By-law Administration

This by-law shall be administered by the Treasurer of The Corporation of the City of Barrie.

12. Short Title

This by-law may be referred to as the Barrie City-Wide Development Charges By-law.

13. Date Bylaw Effective

This by-law comes into force on the date following the date of its passage by the Council of the Corporation of the City of Barrie.

14. Headings

The headings in this by-law form no part of this by-law and shall be deemed to be inserted for convenience of reference only.

15. Severability

In the event any provision or part thereof of this by-law is found by a Court of competent jurisdiction to be ultra vires, such provision or part thereof shall be deemed to be severed and the remaining portion of such provision and all other provisions of this by-law shall remain in full force and effect.

16. Schedules

Schedule "A" to this by-law forms an integral part of this by-law.

17. By-law 2008-111

By-law 2008-111 and all amendments thereto are hereby repealed on the date this by-law comes into effect.

18. Expiry

This by-law shall expire and be deemed to be repealed on February __, 2018.

READ a first and second time this __th day of February, 2013.

READ a third time and finally passed this __th day of February, 2013.

THE CORPORATION OF THE CITY OF BARRIE

MAYOR

CITY CLERK

SCHEDULE "A"

TO BY-LAW NUMBER 2013-XXXX

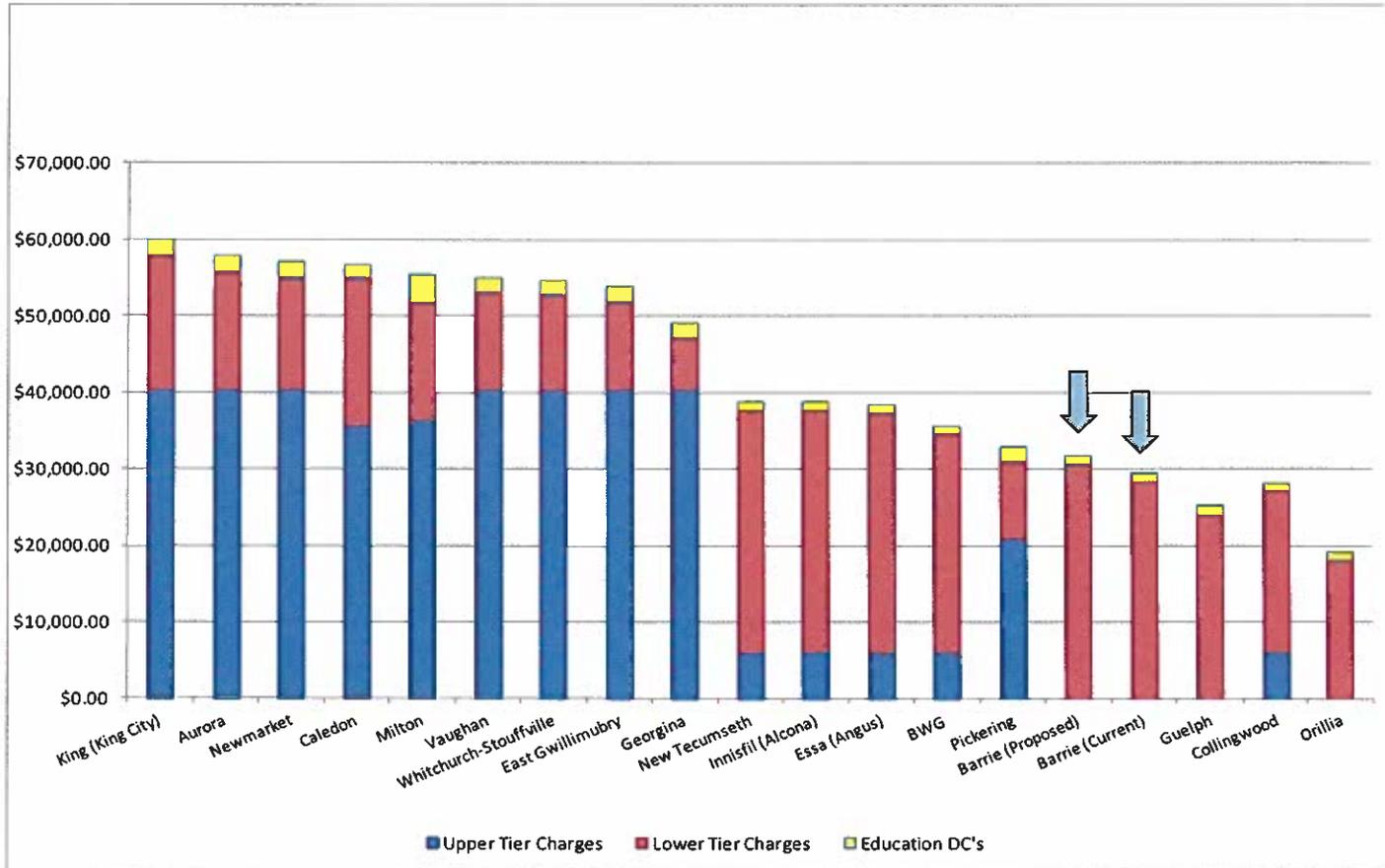
SCHEDULE OF CITY-WIDE DEVELOPMENT CHARGES
EFFECTIVE _____, 2013

Service	RESIDENTIAL				NON-RESIDENTIAL	ALL OTHER NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	(per ft ² of Gross Floor Area)	(per ft ² of Gross Floor Area)
Engineered Services						
Roads and Related	12,521	7,241	5,321	9,361	6.32	3.16
Wastewater	4,329	2,503	1,839	3,236	3.33	3.33
Water	6,455	3,732	2,743	4,825	4.82	4.82
Storm Water Management	1,292	747	549	966	1.50	1.50
Sub-total	24,596	14,223	10,452	18,388	15.97	12.81
Other Services:						
Protection	739	427	314	552	0.43	0.43
Libraries	423	245	180	316	0.01	0.01
Paramedic	95	55	41	71	0.02	0.02
Parks and Recreation	4,334	2,506	1,842	3,240	0.16	0.16
Transit	360	208	153	269	0.09	0.09
Administration	159	92	68	119	0.09	0.09
Sub-total	6,111	3,533	2,598	4,567	0.80	0.80
Total Development Charge	30,707	17,756	13,050	22,955	16.77	13.61

Note: Section 9 (2) (c) sets out special provisions relating to the development charge for industrial use.

APPENDIX C

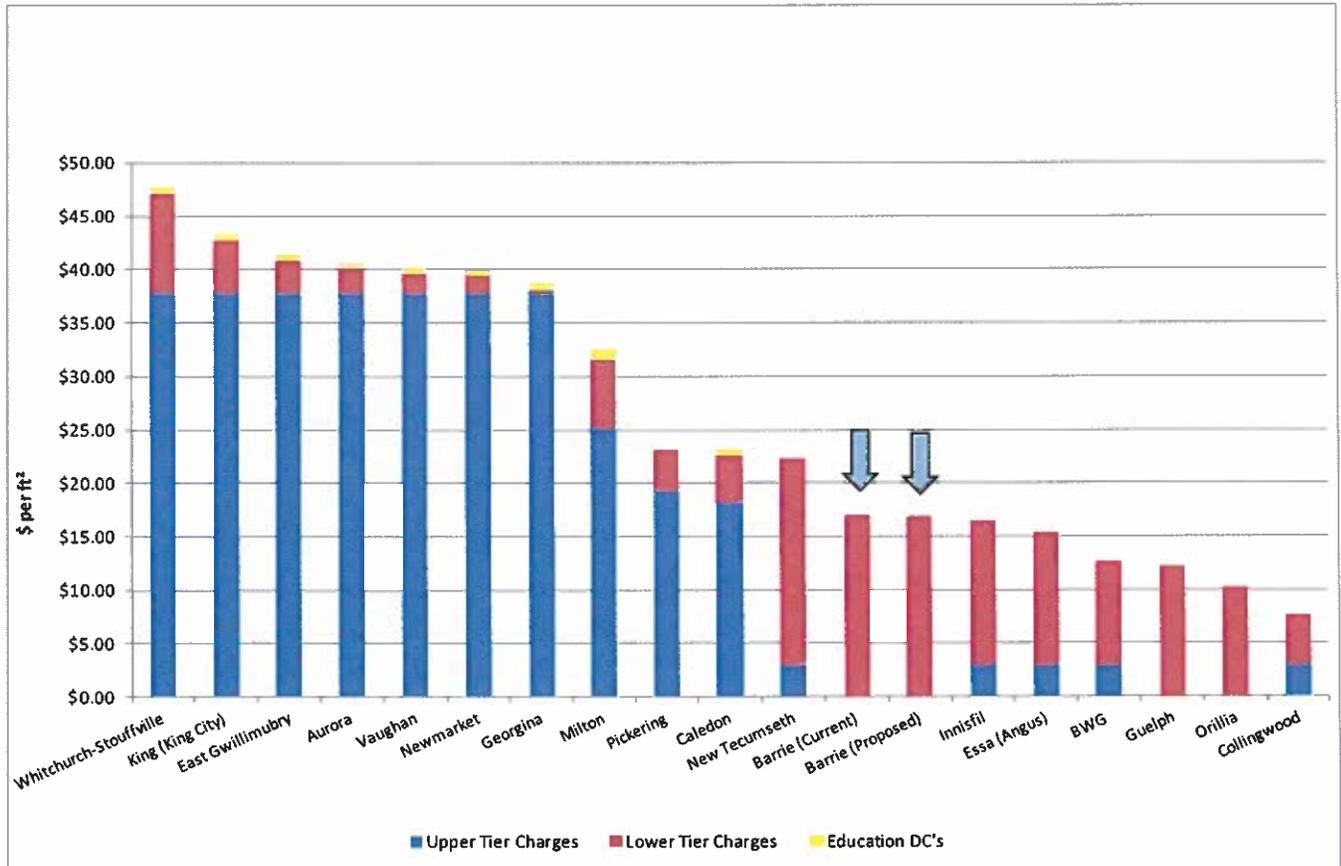
DEVELOPMENT CHARGE RATE COMPARISON – SINGLE AND SEMI DETACHED (AS OF OCTOBER 2012)



Source: Watson & Associates Economists Ltd – Barrie Council Public Meeting December 10, 2012

APPENDIX D

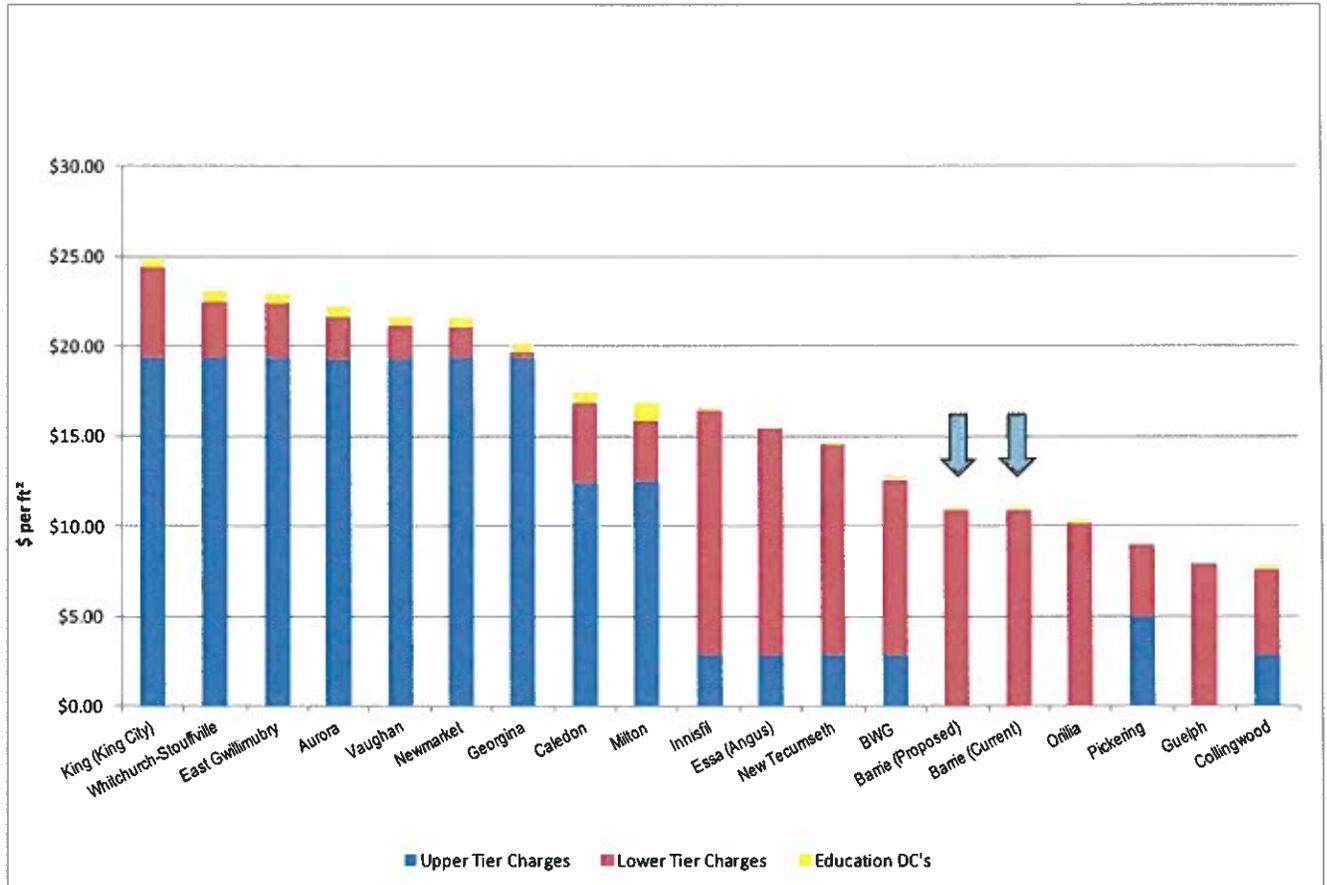
DEVELOPMENT CHARGE RATE COMPARISON – COMMERCIAL/RETAIL PER FULLY SERVICED
SQUARE FEET OF GROSS FLOOR AREA (AS OF OCTOBER 2012)



Source: Watson & Associates Economists Ltd – Barrie Council Public Meeting December 10, 2012

APPENDIX E

DEVELOPMENT CHARGE RATE COMPARISON – INDUSTRIAL DC'S PER FULLY SERVICED SQUARE FEET OF GROSS FLOOR AREA (AS OF OCTOBER 2012)



Source: Watson & Associates Economists Ltd – Barrie Council Public Meeting December 10, 2012

APPENDIX F



Mayor's Office
MEMORANDUM TO
GENERAL COMMITTEE

TO: Members of City Council

FROM: Mayor Jeff Lehman

RE: Development Charges for Small Support Buildings in Industrial Areas

DATE: September 10, 2012

This memo is with regard to the item for discussion on the agenda for Monday night regarding the discounting of DC's for ancillary buildings in industrial developments. It is an "investigate and report" item but given the subject I thought I should provide some context/background.

In the past year I am aware of three industrial building projects in Barrie that have not gone ahead because our development charge by-law does not distinguish between very low-cost structures, and a fully fit-out manufacturing building. Because of this, if someone wants to build a storage shed or other ancillary building, the development charges can be so expensive that they are in some cases equivalent to the construction costs – doubling the cost of a simple project and making them un-economic to build.

All three of these are relatively minor projects: two are industrial storage sheds for Barrie manufacturers, and the third is a warehouse for a largely commercial use (a tire place) on industrial land. However, all three projects would improve the productivity and growth of these businesses, and also make our city look a little better by bringing storage inside. They are all expansions of existing operations.

The most recent example was this: a small manufacturer in the south end of Barrie contacted me with regards to a storage building that they wished to put up. He currently has a 20,000 SF manufacturing facility and wishes to add a 4,000 SF storage shed, with a poly fabric roof, 50' x 80', to protect his inventory from snow and rain. The building cost is very low – four steel walls and the arched roof – his construction cost estimate is \$46,000 for the shed. Unfortunately, because the building is detached from the main building, it does not qualify as an "expansion" and therefore full industrial DC's are applicable. The DC estimate is just over \$42,000 – meaning the total fees, when other permit costs are also considered, exceed the construction cost of the project. Understandably they have chosen not to proceed.

The irony of this is that if the building was physically connected to the main building, the DC's would not be charged, because this would count as an "expansion" under the by-law and therefore be exempt from DC's. As such, their engineers have developed a connecting structure concept, but it comes at considerable cost as well, and since it's only real benefit is to avoid the DC's, this is a poor solution. It's a bit ridiculous that it makes more financial sense to build an unnecessary passageway or connection.

This qualifies to my mind as one of those areas where well intentioned by-laws can have unintended consequences and common sense needs to prevail. The reality of these situations is that the way the by-law is today, we are collecting...nothing. These types of projects are not currently happening. On the grounds that 50% of something is better than 100% of nothing, we should look at a discounted rate for storage buildings or other ancillary buildings in industrial areas.

To be clear about the bigger picture, I believe that we actually need to reduce the amount of discounting we do on development charges. Growth should pay for growth and DC discounts shift the burden of growth-related infrastructure to the taxpayer. Where the discounts result in development that would not otherwise happen, a discount can be a good idea, resulting in some cases in *higher* revenues to the City



Mayor's Office
**MEMORANDUM TO
GENERAL COMMITTEE**

and therefore *lower* burden on the taxpayer. But these situations need to be very carefully assessed before they are applied.

Industrial development have much lower construction costs and generate much lower rents than commercial or residential development. This means that DC's have a much more significant impact in terms of the cost of a project. We are all aware that manufacturing employment and industrial jobs are hard to come by in Ontario, and DC policies need to be considered as part of Barrie's competitiveness for industrial development.

