



**FINANCE DEPARTMENT
MEMORANDUM**

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TO: MAYOR J. LEHMAN, AND MEMBERS OF COUNCIL

FROM: M. VILLENEUVE, SUPERVISOR OF DEVELOPMENT CHARGES
J. COWLES, SENIOR MANAGER OF CORPORATE FINANCE AND INVESTMENT
C. MILLAR, DIRECTOR OF FINANCE AND TREASURER

NOTED: D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES
M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RE: REQUEST FOR A REFUND OF DEVELOPMENT CHARGES: 11 AND 13 BRENNAN AVENUE

DATE: DECEMBER 4, 2019

The purpose of this Memorandum is to provide members of Council with information in respect to the letter of request to refund the development charges (DC) paid for 11 and 13 Brennan Avenue (Appendix "A").

Background

The requester purchased both properties in 2010 as vacant lots. Buildings on these sites were demolished prior to purchase per the demolition permits issued for 13 Brennan Ave in 2007 and 11 Brennan Avenue in 2009.

The City would not have charged development charges for these properties had they been redeveloped prior to May 1, 2012 and September 1, 2014, as the City's Development Charge By-law at the time provided credits of Development Charges (DCs) for any property that was demolished so long as it was redeveloped within 5 years. This was noted in the requester's real estate Purchase and Sale agreements with the previous owner of the property. The City was not a party to this agreement.

In August of 2018, the requester paid the development charges for both properties and in turn, the City issued building permits for both properties. The requester did not receive development charge (DC) credits at the time since the redevelopments occurred more than 5 years after the buildings were demolished as per the City's by-law.

The City updates its Development Charge By-Law every 5 years or in some cases earlier. A review of each of the previous development charge by-laws since the requester had purchased these properties indicates that the criteria set out in the current by-law is generally the same as it was since the time prior to the purchase of these 2 properties. In essence, the City provides for DC credits equivalent to those that would otherwise be payable so long as the redevelopment is built within 60 months (5 years) from the time that the previous building has been demolished.

The 5 year "grace" period is meant to provide an incentive for the timely redevelopment of properties.

Development Charge (DC) Credits - History

2019 By-Law

The 2019 Development Charge by-law provides the following for a credit of development charges (DCs):

If a development involves the demolition of and replacement of a building or structure within 60 months of the demolition permit being issued, or the conversion from one principal use to another, the developer shall be allowed a credit equivalent to:

(i) The number of dwelling units demolished/converted multiplied by the applicable residential development charge in place at the time the development charge is payable...

Provided that such amounts shall not exceed, in total, the amount of the Development Charges otherwise payable with respect to Redevelopment.

2014 By-Law

The 2014 Development Charge by-law provided the following for a credit of development charges (DCs):

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... 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...

Provided that such amounts shall not exceed, in total, the amount of the Development Charges otherwise payable with respect to Redevelopment.

Conclusion

All of the City's Development Charge by-laws have included a 60 month (5 year) limit for development charge credits related to redevelopment. The City is applying the by-law to this redevelopment as it has to all other redevelopments. Development charges cannot be waived and providing relief in the form of a grant would set a precedent for other redevelopments.

Should it be decided that the City will provide a grant to the developer equivalent to the amount of development charges paid, the amount of the grant must be funded by other non-development related funding sources such as Council's Strategic Priorities reserve.



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APPENDIX "A"

LETTER FROM PROPERTY OWNER 11 AND 13 BRENNAN AVENUE