



FINANCE DEPARTMENT MEMORANDUM

TO: MAYOR A. NUTTALL AND MEMBERS OF COUNCIL

FROM: M. VILLENEUVE, SUPERVISOR OF DEVELOPMENT CHARGES, EXT. 4503
A. GAMEIRO, SENIOR PLANNER, EXT. 5038
C. GILLESPIE, SENIOR MANAGER OF CORPORATE FINANCE AND INVESTMENTS, EXT. 5743
C. MILLAR, CHIEF FINANCIAL OFFICER AND TREASURER, EXT. 5130
M. BANFIELD, DIRECTOR OF DEVELOPMENT SERVICES

NOTED: B. ARANIYASUNDARAN, P. ENG., PMP, GENERAL MANAGER OF INFRASTRUCTURE AND GROWTH MANAGEMENT
M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RE: 440 ESSA ROAD – ONE URBAN

DATE: JUNE 14, 2023

The purpose of this Memorandum is to provide members of Council with information regarding the 440 Essa Development, in response to the applicants' letter to Council of June 2, 2023.

One Urban is requesting a continuation of the frozen Development Charges rate from 2020

One Urban (the "**Applicant**") is proposing to redevelop the Subject Property with a 9-storey mixed-use building, containing 262 purpose-built rental units, of which 39 are to be secured as affordable dwelling units and 1,070 square metres of ground floor commercial space (the "**Development**").

The Applicant applied for a site plan on December 23, 2020 and were able to freeze their Development Charges (DC) at the rate effective at the time. When staff approved the application with conditions, there would be a legislated freeze of two years – if the developer did not pull a building permit by this time, the rates would revert to the current development charge rate. The Applicant contends the date that the freeze expires.

The following table provides a timeline of the important dates:

Action	Date
Applicant made application for a Site Plan	December 23, 2020
Application circulated for review. Comments were provided to the applicant	February 11, 2021
Conditional Site Plan Approval (with conditions) was issued by the City*	June 7, 2021
City received a second submission	June 14, 2021
Second submission reviewed by City staff. Comments issued to applicant	August 24, 2021



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Minor variance application to increase storeys and unit count	June 2022
Third site plan submission	March 10, 2023
Third submission reviewed by City staff. Comments issued to applicant – including suggestion to apply for extension to conditional site approval	April 14 th , 2023
Applicant granted 1-year extension to register the site plan agreement against the subject property	June 5, 2023
Fourth Site Plan Submission Received and Circulated for Review	June 8, 2023

*Site plan conditions are valid for a period of two years, upon which an applicant is required to apply to the City to request an extension to conditional site plan approval if a site plan agreement has not been registered within that timeframe

Although the Applicant was granted an extension to register the site plan agreement against the property, this extension would not apply to the two-year freezing of the development charges, based on the City's interpretation of the Development Charges Act (DCA). The beginning of the 2-year freeze remains the date on which the City first approved the application with conditions.

The Applicant disagrees with the City's interpretation and contends that the 2-year DC freeze window begins at the time that the development agreement is registered, i.e. when all conditions related to the Site Plan approval have been satisfied. If the applicant's interpretation is accepted, this would set a precedent that would put further financial pressure on the City of Barrie's existing taxpayers.

Section 20 of the DCA sets out the formal process to complain to the council of the municipality imposing the development charge. At the Applicant's request, Council would hold a hearing into the complaint and would either dismiss the complaint or rectify any incorrect determination or error that was the subject of the complaint.

The estimated impact of keeping the DCs frozen and not updating to the current rates is approximately \$3M. DC legislation also allows for the payment of the DC charges over a 5-year period from the date of occupancy.

New legislation and the City's CIP

Through Bill 23, the Applicant is eligible for DC discounts for each rental unit. The discounts are as follows:

3+ Bedroom Apartment	25%
2 Bedroom Apartments	20%
Bachelor/1 Bedroom Apartments	15%

Staff estimate that this could lead to a reduction in DCs of around \$2M.

In addition, City staff supported the Applicant in their application for a Community Improvement Plan (CIP) grant. This was approved by the CIP Grant Review Committee on June 24, 2022 and could result in savings for the Applicant upwards of \$1M.



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The Applicant's legal counsel suggested Council accept a Section 27 Agreement

The legal counsel for the Applicant has requested that the City enter into a Section 27 agreement if Council does not agree to the Applicant's interpretation of when the DC freeze expires. This type of agreement permits early (or late) payment of DCs, subject to agreeable terms. Council has the authority to enter into such an agreement. Staff caution that doing so could set a precedent with future developers, and as such, is not in the City's best interest from a financial perspective. The City is providing a CIP grant, and recent legislative changes are also resulting in reduced development charges for purpose built rentals with payment over a longer period of time to encourage development.