



**FINANCE DEPARTMENT
MEMORANDUM**

TO: MAYOR A. NUTTALL AND MEMBERS OF COUNCIL

FROM: M. VILLENEUVE, SUPERVISOR OF DEVELOPMENT CHARGES, EXT. 4503
C. GILLESPIE, SENIOR MANAGER OF CORPORATE FINANCE AND INVESTMENTS, EXT. 5743
C. MILLAR, CHIEF FINANCIAL OFFICER AND TREASURER, EXT. 5130

NOTED: M. BANFIELD, DIRECTOR OF DEVELOPMENT SERVICES
M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RE: THE RESIDENTS ON OWEN LTD. AND BRUCE STEWART REQUEST

DATE: MAY 15, 2024

The purpose of this Memorandum is to provide members of Council with information regarding the proposed development at 55 to 57 McDonald Street, 61 to 67 Owen Street, and 70 to 78 Worsley Street (the "Owen Street Development"), in response to the applicants' letter to Council dated April 24, 2024 (Letter to Mayor and Members of City Council attached as Appendix "A" to Memorandum dated May 15, 2024).

The City imposes development charges in accordance with Development Charges By-Law 2023-074 ("By-Law") and the *Development Charges Act* (the "DC Act").

Background:

On July 21, 2021, the applicant submitted a Site Plan application to build 278 Residential units and 810.30 square meters of commercial space. As per the DC Act, the total amount of development charges was "frozen" at that time and subject to indexing at a rate of 3.84% per year. The application was approved on May 16, 2023, when Site Plan conditions had been issued. The frozen total amount of development charges was set to expire on May 15, 2025, which is 2 years after the application was approved in accordance with the limits set out in the DC Act.

Through section 27 of the DC Act, on September 21, 2022, Council, through Motion 22-G-159 granted the Owen Street Development the following DC deferral agreement terms:

1. That staff enter into an agreement with the Junction Group on behalf of their client Traditions Senior Housing (the Developer) to defer the portion of development charges related to the proposed rental units (excluding the owned units) for a period of three years, or occupancy whichever is sooner, contingent on the developer applying for building permits within 120 days of this agreement.
2. That for the term of the deferral the Developer shall pay interest to the City on the deferred amount at a rate of 50% of the City's 5 year moving average weighted cost of capital.

In December of 2023, the applicant requested a Minor Variance to change their Site Plan by adding additional height and maximum gross floor area which would allow them to build their new revised plan of 356 Residential units and 954 square metres of commercial space. The Committee of Adjustment granted the variance with the following conditions:

1. That the applicant/owner submit a site plan amendment application and requisite fee and successfully complete the registration of Site Plan Application D11-016-2021.



2. That the requested variances shall apply only to the proposed development, as described in the Site Plan Agreement associated with Site Plan Application D11-016-2021 and as reflected on the Modified Site Plan and Building Elevations attached as Appendix “D” and “E” to the Planning report. Any further development or redevelopment on the subject property shall be required to comply with the standards of the City’s Zoning by-law 2009-141, as amended, or any successor thereto, failing which subsequent approvals may be required.

The Applicant’s Site Plan Application, DC Deferral Agreement and DC Charge rate Requests

Applicant’s Request	Staff Response
1.) That City Council direct staff to continue processing the Site Plan Application File No. D11-016-2021 based on the approved Zoning By-law No. 2018-133, as modified by the related Minor Variance Decision regarding File No. A70/23.	1.) Agree
2.) That City Council direct staff to enter into a site plan agreement regarding Site Plan Application File No. D11-016-2021 with the owner/applicant (The Residences on Owen Ltd.) based on the approved Zoning By-law No. 2018-133, as modified by the related Minor Variance Decision regarding File No. A70/23, with such site plan agreement to be finalized and executed on or before September 12, 2024	2.) Site plan approval is delegated to staff in accordance with The Planning Act and the City’s Site Plan control bylaw. The site plan agreement is ready for execution as soon as the applicant provides updated plans and provides the items outlined in the agreement, including the height and density payment of \$475,000, in accordance with the zoning By-law amendment 2018-133. The site plan can be registered once the applicant satisfies the site plan conditions and submits updated plans which reflect the proposal, as amended by the Variance Application.
3.) The applicant is requesting the additional rental units resulting from their revised plan be included in the Section 27 DC deferral agreement approved by Council through motion 22-G-159.	3.) Agree – Council motion 22-G-159 did not restrict the number of rental units to be included in the Section 27 DC deferral agreement. Staff will include all rental units in the agreement.
4.) The Applicant is requesting that the total development charges be calculated using the development charge rates in effect on the date of their original Site Plan Application (July 2021) instead of the Amended Site Plan Application date. Additionally, the Applicant has requested that the previously frozen (and no longer applicable) development charges not	4) Disagree - City staff have applied the appropriate development charges as per the requirements of Section 26.2 of the Development Charges Act. The expiry of frozen development charges occurs 2 years after an application was approved. The City approved the first application made July 21, 2021 on May 16, 2023. Option for Council – Should council wish to



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expire until September 12, 2025, approximately 4 months after they were set to expire.	calculate the development charges for this development based on a prior date than the Development Charges Act requires, Council could include as part of the Section 27 Deferral agreement that Development Charges be calculated at the rate in effect on July 21, 2021, and subject to indexing as per the City's by-law and motion 22-G-159.
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Conclusion:

Staff have applied the legislation set out in the Development Charges Act and the City's By-Law to this development.

Should Council wish to provide the Applicant with these additional financial benefits, Council could pass the following Motion:

That Motion 22-G-159 be repealed and replaced with the following:

1. That staff enter into a Section 27 agreement with the Junction Group on behalf of their client Traditions Senior Housing (the Developer) to defer the portion of development charges related to the proposed rental units (excluding the owned units) for a period of three years, or occupancy whichever is sooner, contingent on the developer applying for building permits within 120 days of this agreement.
2. That staff shall set the specified date in the Section 27 Agreement with rates to be calculated as at July 21, 2021 plus indexing;
3. That the frozen development charges expire on May 15, 2025, being 2 years following the date the application was approved and conditions were issued and nearly 4 years after the original application was made;
4. That for the term of the deferral the Developer shall pay interest to the City on the deferred amount at a rate of 50% of the City's 5 year moving average weighted cost of capital; and
5. That the Section 27 Agreement be executed no later than January 15, 2025, to give the developer 120 days to apply for building permits as noted in paragraph 1 of the motion.