

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 19, 2013

Item 4, Report No. 4, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on March 19, 2013.

4 RELEASE OF DRAFT 2013 DEVELOPMENT CHARGE STUDY

The Finance and Administration Committee recommends:

- 1) That the deputation by Ms. Audrey Jacob, representing the Vaughan DC Working Group/BILD (Building Industry and Land Development Association), IBI Group, Richmond Street West, Toronto, be received;**
- 2) That the recommendation contained in C1, Memorandum from the Commissioner of Finance & City Treasurer, dated March 4, 2013, be approved as follows:**
 - i) that the Public Statutory Meeting, required under the Development Charges Act, 1997, for the purposes of receiving delegations regarding the proposed Development Charge By-laws, be scheduled for April 23, 2013 at 7:00 p.m. in Council Chambers; and**
- 3) That the recommendation contained in the following report of the Commissioner of Finance & City Treasurer and the Director of Development Finance & Investments, dated March 4, 2013, be approved:**

Recommendation

The Commissioner of Finance & City Treasurer and the Director of Development Finance & Investments recommend:

- 1) That the following report be received;**
- 2) That the draft Development Charge Background Study be made available to the public the week of March 4th, 2013;**
- 3) That the draft Development Charges By-law be made available to the public at a date to be established by the Commissioner of Finance & City Treasurer, but no later than two (2) weeks in advance of the Public Statutory Meeting; and**
- 4) That staff be authorized to advertise the Public Statutory Meeting at least 20 days in advance of the date of the meeting and in a method that is consistent with the requirements of the Development Charges Act, 1997.**

Contribution to Sustainability

The objective of Development Charges collection is to fund and construct new public infrastructure for new growth population, sustaining the same level of service experienced by that of the existing population.

Economic Impact

There is no economic impact associated with this report; however, the purpose of updating the City's Development Charge By-law is to make every effort to ensure that growth-related infrastructure is paid for by the development requiring the service.

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Communications Plan

In addition to a number of technical meetings, two stakeholder workshops have taken place with the development industry:

1. Workshop #1 - April 4, 2012
2. Workshop #2 - January 25, 2013

The workshops included members of the Building Industry and Land Development Association (BILD) as well as representatives from SmartCentres. In between those workshops several correspondences, extensive exchange of detailed background data, and several meetings took place to discuss the technical aspects of the draft calculations. It is anticipated that ongoing correspondence, meetings and collaboration will continue until the finalization of the new by-law.

The Development Charges Act has mandatory communication requirements around advertising of at least one public meeting and the Clerk is mandated to carry out such advertising at least 20 days in advance of the meeting date. The Public Statutory Meeting will be scheduled for the week of April 15th or April 22nd.

Purpose

The purpose of this report is to present Council with the draft 2013 Development Charges Background Study and provide timelines for the remainder of the by-law review process.

Background

As reported in the previous update to Finance & Administration Committee on May 14, 2012, the City of Vaughan's current Development Charge By-law #230-2008 expires on September 22, 2013. The by-law update began in late 2011 with draft calculations produced by mid-2012. These preliminary rates were shared with members of Finance & Administration Committee through the May 14, 2012 report. For the 3rd and 4th quarters of 2012 the City engaged in a consultative process with the development industry. Staff provided a further update to Council with new tentative rates and policy considerations at the February 11, 2013 Finance & Administration Committee meeting.

Draft Development Charges Background Study

The draft Development Charges Background Study will be released to Council the week of March 4, 2013. Hemson Consulting Ltd. was retained to complete the Background Study and has been working closely with staff and the Development Industry to produce the technical foundations for the study. The Background Study has been produced in accordance with the Development Charges Act and their associated regulations. It contains both the capital program and the service level analysis for all Development Charge eligible services and also provides all the growth related assumptions that help formulate the rate calculation. The rates calculated are draft in nature and are subject to adjustment based on changes to any data within the draft study before the enactment of the final by-law(s).

A comprehensive report highlighting the most important factors within the study will be presented at the April 15, 2013 Finance & Administration Committee for discussion purposes. The time period between the release of the draft study and the discussion of the material on April 15th (by Council) and the week of April 15th or 22nd (public) should allow Council, the general public and the development industry an opportunity to review the technical data should they wish to do so.

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It should be noted that the Finance and Administration Committee on April 15th is still open to the public to make delegations regarding the staff report, however the formal Public Statutory Meeting under the Development Charges Act will be held during the week of April 15th or 22nd.

Recent Changes to the Engineered Services Program

Subsequent to the Finance & Administration Committee of February 11, 2013, staff have made several changes to the City Wide Engineering Program that are included in the draft study. The most significant of the changes are as follows:

- The Black Creek Works associated with channelization (\$25 million) have been removed from the City Wide program and will be proposed as a Special Area Charge to better reflect the local benefit derived from such works.
- As identified in the February 11th report, the Black Creek Works mentioned above were only one part of the total Black Creek Works proposed. Staff have determined that approximately \$10 million in urbanization costs associated with this project may be a better representation of a growth-related City Wide benefit and therefore this amount has now been included in the City Wide Engineered Services program.
- An additional \$14 million in road costs have been added to Post Period Benefit (\$8 million related to Kirby Road and \$6 million related to Snidercroft Road).

Many other minor changes have been made in relation to the unit costs for road construction, unit costs for water main construction and some reductions in the roads program due to the potential transfer of the Kind/Vaughan Side Road to the Region. A more fulsome discussion of these changes as well as highlights of the General Services program will be presented in the April 15th Finance & Administration Committee report.

Draft Development Charge By-laws

A copy of the draft Development Charge By-laws will be provided to Council in advance of the April 15th Finance & Administration Committee Meeting. The Development Charges Act requires a municipality to make both the Background Study and the draft By-laws available to the public at least two (2) weeks in advance of the Public Statutory Meeting. As discussed in the next section, staff are still consulting with the development industry on several issues related to the draft by-laws and it has therefore been recommended that the Commissioner of Finance & City Treasurer be authorized to establish a future date at which these draft by-laws are released to the general public through the Clerk's Office, but no later than the two weeks before the Public Statutory Meeting as required by the Development Charges Act.

Policy Discussion

Staff are finalizing consultation with the Development Industry and will report back to Council on April 15th with any further updates on the policy issues identified in the February 11th Finance & Administration Committee report. The draft by-laws will incorporate any provisions resulting from these discussions and amendments to the draft Background Study (if any) will be noted to Council in the April 15th report for discussion purposes. The policy issues still under review are as follows:

- Benefit to Existing
- Post Period Benefit allocation
- Criteria for differentiated apartment rates
- Mixed Use (High Density Residential / Non-Residential) differentiated rates
- Office discounts
- Transition / Phase-in Measures

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It should be noted that while discussions are ongoing, staff's position regarding many of these issues may not deviate from the commentary found within the February 11, 2013 Finance & Administration Committee report.

Process Going Forward

City staff will continue to meet and consult with the development industry regarding policy issues.

The anticipated milestone dates leading up to the new by-law enactment are as follows:

DC By-law Review – Highlight Report	April 15, 2013	F&A Committee
Public Statutory Meeting	Week of April 15 or 22	Special Meeting
Final Report on DC By-law Review	May 6, 2013	F&A Committee
By-law Passage & Enactment	May 14, 2013	City Council

Relationship to Vaughan Vision 2020/Strategic Plan

Not applicable

Regional Implications

N/A

Conclusion

Council and the public will be presented with the draft Development Charge Background Study during the week of March 4, 2013. A further report will be brought to Finance & Administration Committee on April 15, 2013 outlining the highlights of the Background Study and any recommended changes on policy issues resulting from further consultation with the development industry. These policy issues are being considered in further depth to ensure that Council is presented with a revised by-law that is fiscally responsible, protects existing taxpayers, but that also responds to the evolving environment and economy surrounding the development industry. The Public Statutory Meeting will take place on the week of April 15th or 22nd and the revised by-law is anticipated to be enacted on May 14, 2013.

Attachments

N/A