



**CITY OF HAMILTON**  
**CORPORATE SERVICES DEPARTMENT**  
*Financial, Planning, Administration and Policy Division*

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	August 15, 2018
<b>SUBJECT/REPORT NO:</b>	City of Hamilton Development Charges By-law 14-153 - Amendments to the Downtown Community Improvement Project Area (CIPA) Exemption (FCS18054(a)) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Lindsay Gillies (905) 546-2424 Ext. 2790
<b>SUBMITTED BY:</b>	Mike Zegarac General Manager Finance and Corporate Services
<b>SIGNATURE:</b>	

### RECOMMENDATIONS

- (a) That no further Public Meeting is required with respect to the By-law attached hereto as Appendix "A" to Report FCS18054(a);
- (b) That the By-law, attached hereto as Appendix "A" to Report FCS18054(a), prepared in a form satisfactory to the City Solicitor, be passed and enacted.

### EXECUTIVE SUMMARY

On June 13, 2018, Council received and made public, Report PED18093 / FCS18054 which served as a Background Study under the the *Development Charges Act, 1997, as amended*, (DC Act) through the approval of Item 6.7 of Audit, Finance and Administration Committee Report 18-008.

Report PED18093 / FCS18054 proposed an amendment to the Downtown Hamilton Community Improvement Project Area (CIPA) Development Charge (DC) exemption contained within the City's DC By-law 14-153. The proposed amendment would limit the Downtown Hamilton CIPA DC exemption to the height limits as presented to and approved by Council on April 25, 2018 through the Downtown Secondary Plan and Zoning By-law.

**SUBJECT: City of Hamilton Development Charges By-law 14-153 - Amendments to the Downtown Community Improvement Project Area (CIPA) Exemption (FCS18054(a)) - Page 2 of 5**

---

The DC Act requires that a background study be made public a minimum of 60 days before Council can enact the By-law. Report FCS18054(a) provides the direction to enact the By-law. The amendments to the current DC By-law, through the approval of Recommendation (b), will be effective August 20, 2018.

There are no changes from the draft By-law presented to Council in June compared to the draft By-law attached as Appendix “A” to Report FCS18054(a).

***Alternatives for Consideration – See Page 4***

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: The financial implications of the proposed change will result in fewer DC exemption dollars being provided in the Downtown CIPA and will be dependent on the amount of development in excess of the stated heights that occurs. The impact is not expected to be sizable in the short term. There will be no budget impact related to this change as the cost to the City of providing the Downtown CIPA exemption has increased due to increased development activity while the percentage of the exemption has decreased.

Staffing: None.

Legal: The proposed By-law has been reviewed by Legal Services. Once approved, the By-law is subject to a 40-day appeal period. Any appeals to the By-laws will require further involvement from Legal Services staff.

**HISTORICAL BACKGROUND**

DC By-law 14-153 came into effect on July 6, 2014. As per the DC Act, DC By-laws can be in effect for a maximum period of five years before a new background study and By-law are required to be enacted. However, municipalities may elect to enact a new By-law or amend their By-laws before the five-year period expires.

At the Council meeting of January 24, 2018, Council approved the following Motion:

“That staff be directed to report back on the feasibility of limiting Development Charge reductions, Parkland Dedication Fee reductions, or any Community Improvement Plan (CIP) incentives to the regulated height and density restrictions of the Council adopted Official Plan and / or Zoning By-law with full fees to be applied to all height and density that surpass the restrictions.”

**SUBJECT: City of Hamilton Development Charges By-law 14-153 - Amendments to the Downtown Community Improvement Project Area (CIPA) Exemption (FCS18054(a)) - Page 3 of 5**

---

On April 25, 2018, Council approved the update to the Downtown Secondary Plan and Zoning By-law. The update provided a clear vision of Downtown Hamilton intended to guide all future development proposals. The Downtown Secondary Plan and Zoning By-law place height restrictions in the downtown. Density is not specifically limited and therefore, restrictions related to density are not feasible based on the approvals from the April 25, 2018 Council meeting.

Report PED18093 / FCS18054 was approved by Council at its June 13, 2018 meeting, as the Background Study for a DC By-law amendment to cap the Downtown Hamilton CIPA DC exemption at the heights as presented with the Downtown Secondary Plan and Zoning By-law.

This Report recommends enacting the same By-law that was presented as draft in the June 2018 Background Study.

It should be noted that Parkland Dedication rates were amended in a similar approach through report PED18105, which was subsequently approved by Council on May 23, 2018.

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

The DC Act requires a background study prior to passing a DC By-law. The current DC By-law came into force on July 6, 2014. A new DC By-law will be required to come into force on or before July 6, 2019. The work to undertake a complete City-wide DC background study and by-law utilizing the Province's original 2031 growth forecasts and existing Infrastructure Master Plans has been initiated through Reports FCS17086 and FCS18034. There is no change or edit recommended to this process that would be impacted by a DC By-law amendment.

Report PED18093 / FCS18054 was approved by Council as the Background Study for a DC By-law amendment at its June 13, 2018 meeting. The background study is required to be public for a minimum of 60 days before Council may pass the amendment. There must also be at least one public meeting prior to passing the amendment. The August 15, 2018 Audit, Finance and Administration Committee meeting has been designated and publicly communicated as the public meeting date.

**SUBJECT: City of Hamilton Development Charges By-law 14-153 - Amendments to the Downtown Community Improvement Project Area (CIPA) Exemption (FCS18054(a)) - Page 4 of 5**

---

**Table 1**  
**Schedule of Dates for the DC By-law Amendment Process**

Background Study and proposed by-law amendment available to public	June 11, 2018
Public Meeting ad placed in newspaper(s)	July 19, 2018 – The Hamilton Community News July 20, 2018 – The Hamilton Spectator At least 20 days prior to the public meeting
Public Meeting	August 15, 2018
Council considers passage of by-law	AF&A – August 15, 2018 Council – August 17, 2018 No less than 60 days after the background study is made available to the public
Newspaper and written notice given of by-law passage	By 20 days after passage
Last day for by-law appeal	40 days after passage
City makes available pamphlet (where by-law not appealed)	By 60 days after passage

## **RELEVANT CONSULTATION**

Legal Services Division, Corporate Services Department

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

The rationale for the amendment was detailed in Report PED18093 / FCS18054. As a high level summary, the rationale is to align incentives with and reinforce the City's vision as articulated in the Downtown Secondary Plan and to avoid conflicting policies with the introduction of Bonusing under Section 37 of the *Planning Act*.

This Report recommends enacting the changes through enactment of the By-law attached as Appendix "A" to Report FCS18054(a).

## **ALTERNATIVES FOR CONSIDERATION**

Alternatively, Council could not take any action at this time. Under this alternative, staff would utilize the background information contained within PED18093 / FCS18054 with the 2019 DC Background Study and any resulting change to the DC CIPA policy would be determined at a later date.

**SUBJECT: City of Hamilton Development Charges By-law 14-153 - Amendments to the Downtown Community Improvement Project Area (CIPA) Exemption (FCS18054(a)) - Page 5 of 5**

---

- Financial: The current DC CIPA exemption policies would be applied and DCs charged and collected according to those policies.
- Staffing: None.
- Legal: None.
- Pros: Developers would have additional time to adjust their budgets for development in excess of the current heights identified in Appendix “A” to Report FCS18054(a).
- Cons: The City would be responsible for providing exemptions for any development in excess of the City’s articulated vision in the Downtown Hamilton CIPA which effectively becomes a burden on the existing tax and rate payers.

**ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

**Community Engagement & Participation**

*Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.*

**Economic Prosperity and Growth**

*Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.*

**Built Environment and Infrastructure**

*Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.*

**Our People and Performance**

*Hamiltonians have a high level of trust and confidence in their City government.*

**APPENDICES AND SCHEDULES ATTACHED**

Appendix A – By-law No. 18-XXX, Being a By-law to amend By-law 14-153 and By-law 11-174 - “City of Hamilton Development Charges By-law, 2014” and “City of Hamilton GO Transit Development Charge By-law, 2011”

LG/dt