



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

TO:	Chair and Members Development Charges Stakeholder Sub-Committee
COMMITTEE DATE:	March 25, 2019
SUBJECT/REPORT NO:	2019 Background Study for GO Transit Development Charges By-law Amendment (FCS19020) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Lindsay Gillies (905) 546-2424 Ext. 2790
SUBMITTED BY:	Cindy Mercanti Director, Customer Service and POA Acting Director, Financial Planning and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That Report FCS19020 be recognized as a Development Charge Background Study under Section 10 of the *Development Charges Act, 1997*, as amended, for the purpose of providing background for amending policy of the existing GO Transit Development Charge By-law 11-174, as amended;
- (b) That the Development Charges Stakeholder Sub-Committee approval of Report FCS19020 be considered the Public Release of the DC Background Study as required by Section 10 (4) of the *Development Charges Act, 1997*, as amended;
- (c) That the item respecting amendments to the GO Transit Development Charges By-law be identified as complete and removed from the Outstanding Business List.

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EXECUTIVE SUMMARY

The City of Hamilton currently has two active By-laws related to the collection of Development Charges (DCs) under the *Development Charges Act, 1997*, as amended (DC Act). The first By-law is the City of Hamilton Development Charges By-law, 2014, which expires and will be replaced with a new by-law on July 6, 2019. The second by-law is the City of Hamilton GO Transit Development Charges By-law, 2011 (GO Transit DC By-law) which is to remain in effect until December 31, 2019 as per Ontario Regulation 468/16 and Ontario Regulation 489/16.

Through the 2019 DC By-law process, several DC policy changes are recommended. The purpose of Report FCS19020 is to serve as a background study for the purpose of aligning the DC exemption policy in the City's GO Transit DC By-law with the same DC exemption policy proposed for the 2019 DC By-law.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The City remits all GO Transit DC collections to Metrolinx on an annual basis.

Staffing: None.

Legal: Report FCS19020 functions as the background study required by the DC Act to be released at a minimum of 60 days prior to the passing of any new or amended DC By-law. In order to amend a DC By-law, there are other legal responsibilities such as holding a public meeting and providing notice of said public meeting. A public meeting for both the 2019 DC By-law and background study and the proposed amendments to the GO Transit DC By-law is scheduled for April 18, 2019 and the public notice of the meeting has been published in the Hamilton Spectator and the Hamilton Community News.

HISTORICAL BACKGROUND

At its meeting of July 4, 2011, Council approved GO Transit DC By-law. The By-law was amended via By-law 12-053 in March 2012 to adjust the Downtown Hamilton Community Improvement Project Area borders and DC exemption rate, as well as add an exemption for adaptive reuse of heritage buildings. The By-law was further amended through By-law 18-228 in August 2018 to place height limitations on the Downtown Hamilton Community Improvement Project Area DC exemption. In order to have the 2019 DC By-law and the GO Transit DC By-law contain the same DC exemption policy, a further amendment is required concurrent with the 2019 DC By-law process.

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Council, at its meeting of February 27, 2019, established the draft 2019 DC exemption Policy through its approval of Report 19-002 of the Development Charges Stakeholders Sub-Committee. Through the same Report, staff was directed to amend the GO Transit DC By-law to be consistent with the proposed 2019 DC By-law policy.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Report FCS19020 functions as a background study for the purpose of amending the existing policy contained within the GO Transit DC By-law. The background study is required to be public for a minimum of 60 days before Council may pass the amendments.

There must be at least one public meeting prior to passing the amendments. A public meeting related to the 2019 DC By-law is scheduled for April 18, 2019. The same meeting will serve as the public meeting for amending the GO Transit DC By-law.

Any changes directed out of the public consultation process will need to be directed to apply to both the 2019 DC By-law and the proposed amendments to the GO Transit DC By-law in order to maintain consistent policy between the two.

Section 19 of the DC Act requires that Sections 10 through 18 of the DC Act be applied to an amendment of an existing DC By-law. Section 10 requires a background study with some prescribed detail. The By-law amendments being considered, namely changes to the DC exemption policy, impact only the By-law and do not necessitate a change to the growth forecast, capital costs or calculation of the quantum through the detailed work in the “City of Hamilton 2011 Development Charge Background Study for Water, Wastewater, Storm Water and GO Transit Services” (2011 Development Charges Background Study) dated May 20, 2011 as prepared by Watson & Associates Economists Ltd. The full document can be accessed on the Current Development Charge Rates and Information webpage on www.hamilton.ca.

Watson & Associates Economists Ltd. has reviewed the proposed amendments and has confirmed that Report FCS19020 meets the requirements of a background study. The confirmation from Watson & Associated Ltd. is included as Appendix “C” to this Report FCS19020.

SUBJECT: 2019 Background Study for GO Transit Development Charges By-law Amendment (FCS19020) (City Wide) - Page 4 of 7

Table 1: DC Act Requirements of What is to be Included in a Background Study

Section		Applicability to amendment
10 (1)	Before passing a development charge by-law, the council shall complete a development charge background study	Report FCS19020 is the background study.
10 (2)	The development charge background study shall include,	
	(a) the estimates under paragraph 1 of subsection 5 (1) of the anticipated amount, type and location of development;	The estimate of the anticipated amount, type and location of development considered in the original 2011 Development Charges Background Study which was used in the calculation of GO Transit DC rates for the current DC By-law has not materially changed as a result of the amendment proposed.
	(b) the calculations under paragraphs 2 to 8 of subsection 5 (1) for each service to which the development charge by-law would relate;	The calculations under paragraphs 2 to 8 of subsection 5 (1) for each service to which the development charge by-law relates in the original 2011 Development Charges Background Study which was used in the calculation of GO Transit DC rates for the current DC By-law has not materially changed as a result of the amendment proposed.
	(c) an examination, for each service to which the development charge by-law would relate, of the long-term capital and operating costs for capital infrastructure required for the service;	The long-term capital infrastructure and operating costs for capital infrastructure required for each service work performed in the original 2011 Development Charges Background Study which was used in the calculation of GO Transit DC rates for the current GO Transit DC By-law has not materially changed as a result of the amendment proposed.
	(c.1) unless subsection 2 (9) or (11) applies, consideration of the use of more than one development charge by-law to reflect different needs for services in different areas;	While not a requirement when the original 2011 Development Charges Background Study was published, any work related to area specific charges would not be materially changed as a result of the amendment proposed.

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SUBJECT: 2019 Background Study for GO Transit Development Charges By-law Amendment (FCS19020) (City Wide) - Page 5 of 7

	(c.2) an asset management plan prepared in accordance with subsection (3); and	<p>While not a requirement when the original 2011 Development Charges Background Study was published, the impact any work related to asset management plans would not be materially changed as a result of the amendment proposed.</p> <p>This amendment does not involve the addition of any capital projects or changes to the cost of any capital projects included in the 2011 Development Charges Background Study. Further, it will not increase any operating costs for any new infrastructure to be funded, in part, from development charges.</p>
	(d) such other information as may be prescribed	No other information has been prescribed to date

Table 2: Schedule of Dates for the DC By-law Amendment Process

Background Study and proposed by-law amendment available to public	March 25, 2019
Public Meeting ad placed in newspaper(s)	<p>Hamilton Community News – March 21 & 28, 2019</p> <p>Hamilton Spectator – March 22 & 29, 2019</p> <p><i>At least 20 days prior to the public meeting</i></p>
Public Meeting	April 18, 2019
Council considers passage of by-law	<p>AF&A – June 6, 2019 Council – June 12, 2019</p> <p><i>No less than 60 days after the background study is made available to the public</i></p>
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

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RELEVANT CONSULTATION

The following groups were consulted when recommending polices to be included in the 2019 DC By-law which are the same amendments proposed to the GO Transit DC By-law:

Internal

- Planning and Economic Development Department
- Public Works Department
- Healthy and Safe Communities Department
- City Manager's Office
- Corporate Services Department - Legal and Risk Management Services
- CityHousing Hamilton

External

- Watson and Associates Economists Ltd.
- N. Barry Lyon Consultants Limited

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The City DC By-law has historically contained a number of discretionary DC policies with full or partial exemptions. The City has successfully used DC policies (sometimes in conjunction with other policies such as low-cost loan programs and remediation incentives) so that certain types of development can cross the economic threshold and become viable. Report FCS18062(a) was presented to the DC Stakeholders Sub-Committee and resulted in draft DC Policy being recommended to the Audit, Finance and Administration Committee through DC Stakeholders Sub-Committee Report 19-002. Council supported this Policy through the approval of meeting minutes at its meeting of February 27, 2019. Through the same reports and meetings, staff was directed to amend the GO Transit By-law concurrently with the 2019 City DC By-law process.

The GO Transit DC By-law has historically contained the same policy as the City's DC By-law in order to provide for consistency in the calculations and to support the same priorities as the City DC By-law. In order to use the same policy for GO Transit DCs as City DCs once the 2019 City DC By-law is in effect, the GO Transit DC By-law must be amended.

ALTERNATIVES FOR CONSIDERATION

None

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and 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” to Report FCS19020 – Draft Amendment for GO Transit DC By-law 11-174

Appendix “B” to Report FCS19020 – GO Transit DC By-law 11-174, as amended (Consolidated)

Appendix “C” to FCS19020 – Memo from Watson & Associates Economists Ltd.

LG/dt