

INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	February 20, 2020
SUBJECT/REPORT NO:	Process for Addressing Development Charge (DC) Concerns (FCS20007) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Alicia Li (905) 546-2424 Ext. 1434 Lindsay Gillies (905) 546-2424 Ext. 5491
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

COUNCIL DIRECTION

At its meeting on November 7, 2019, Audit, Finance and Administration (AF&A) Committee received as Items 6.1 and 6.4, a presentation from Sergio Manchia, Principal, Urbancore Developments Inc., requesting that the Development Charges (DCs) for future phases of the proposed self-storage projects at 9 Aeropark Boulevard and 54 Dundas Street East be assessed as industrial under the former 2014 DC By-law 14-153. AF&A Committee directed staff to report back with clarity on the options and process for DC concerns such as this (and similar matters).

Specifically, AF&A Committee indicated an interest in understanding the reasons some DC concerns from developers and their representatives have appeared as general delegations and other DC concerns have proceeded through a formal hearing.

INFORMATION

The presentation from Sergio Manchia, Principal of Urbancore Developments Inc., at the aforementioned AF&A Committee meeting generated a discussion about the avenues a developer can take respecting a concern with the calculated DC amount. Staff has developed two documents as guides that can aid in determining the process to be followed and the specific avenue that is appropriate for various DC concern situations and Council's options or obligations related to each. Staff has prepared two guides: 1) from a developer's perspective, attached as Appendix "A" to Report FCS20007; and 2) from Council's perspective, attached as Appendix "B" to Report FCS20007.

Addressing DC Concerns from Developer's Perspective

The decision tree in Appendix "A" to Report FCS20007 demonstrates a general guideline for a developer and their representatives to follow when there is a concern with the DC amount due.

Irrespective of the nature of the concern, a developer should first contact the DC Request team of the City's Corporate Services Department to discuss the concern and clarify any misunderstanding or missed information. In most cases, a simple conversation with staff can resolve the DC concern. If a discussion with staff with escalation to the appropriate management, as needed, is not successful in resolving the concern, then the nature of the DC concern determines the next step.

Addressing DC Concerns from Council's Perspective

Appendix "B" to Report FCS20007 illustrates the types of concerns that may be raised by developers and their representatives to Council on a scale ranging from informal to formal.

The types of DC concerns are classified into three categories:

- 1) DC Compassionate Grant Request;
- 2) DC Policy Change Request; and
- 3) DC Act, Section 20 Complaint.

These categories align with the illustrations providing direction to developers through Appendix "A" to Report FCS20007.

Subject Case – 9 Aeropark Boulevard and 54 Dundas Street East

Mr. Manchia's concern, raised at the AF&A Committee meeting on November 7, 2019, centred around the treatment of self-storage developments in the 2014 DC By-law compared to the treatment of self-storage facilities in the 2019 DC By-law. Mr. Manchia requested that the 2014 DC By-law policy of providing self-storage developments at the reduced industrial DC rate continue to apply to his client's projects. The 2019 DC By-law does not provide the reduced industrial DC rates for self-storage developments. Mr. Manchia is requesting a change to the 2019 DC By-law policy.

Using the Developer's Guide to Addressing DC Concerns, attached as Appendix "A" to Report FCS20007, Mr. Manchia's concern was not resolved through a discussion with staff because he is looking for a policy that is not located within the 2019 DC By-law. Mr. Manchia wants a policy that no longer exists and he wants a change to the 2019 DC By-law policy. Illustration 3 in Appendix "A" to Report FCS20007 provides guidance on the options that may be available to a developer in raising concerns around the DC Policy. Mr. Manchia has chosen to delegate in front of AF&A Committee. AF&A Committee chose to permit him to delegate.

Appendix "B" to Report FCS20007 provides Council a guide with options for addressing requests to DC Policy changes among other DC concerns. Mr. Manchia's concern is associated with changing the DC Policy. Therefore, Council may:

1. request more information and ask that staff report back on the implications of such a policy change;
2. direct staff to amend the Policy in the current DC By-law which would require a legislative process to be followed; or
3. receive the delegation and take no further action.

With respect to Mr. Manchia's delegation and related development, all building permits that had been applied for, as of the time of writing, have been issued and the DCs collected using the reduced industrial rate policy that was contained in the 2014 DC By-law. It is the future phases of the development at this site, for permits that have not yet been applied for, where Mr. Manchia is seeking a policy change.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS20007 – Developer's Guide to Addressing Development Charge (DC) Concerns

Appendix "B" to Report FCS20007 – Council's Guide to Addressing Development Charge (DC) Concerns

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