



DEVELOPMENT CHARGES STAKEHOLDERS SUB-COMMITTEE

REPORT 23-003

November 9, 2023

8:30 a.m.

Room 264

Hamilton City Hall

71 Main Street West

Present: Councillor C. Cassar (Chair),
S. Frankovich, West End Home Builders Association (Vice Chair),
Councillors B. Clark, J.P. Danko, T. Hwang, M. Wilson
A. Stringer, Realtors Association of Hamilton-Burlington
G. Dunnett, Hamilton Chamber of Commerce

**Absent With
Regrets:** Mayor A. Horwath – City Business
J. Summers, Citizen Member
Sean Ferris, Citizen Member

THE DEVELOPMENT CHARGES STAKEHOLDERS SUB-COMMITTEE PRESENTS REPORT 23-003 AND RESPECTFULLY RECOMMENDS:

**1. 2024 Development Charges Background Study and By-law Update
(FCS23040(a)) (City Wide) (Item 11.1)**

That the 2024 Development Charges (DC) Background Study, as prepared by Watson & Associates Economists Ltd., be released by staff prior to December 31, 2023.

**2. Exemptions and Policies – 2024 Development Charges Background Study
and By-law Update (FCS23103) (City Wide) (Item 11.2)**

(a) That the following policies contained within the existing City of Hamilton Development Charges By-law (19-142) be maintained in the draft 2024 Development Charge By-laws prepared for public consultation:

- (i) The Adaptive Reuse Exemption for Heritage Buildings (Section 29(f) of By-law 19-142);
- (ii) The Redevelopment of an Existing Residential Facility Limited Exemption (Section 29(e) of By-law 19-142);

- (iii) The Non-Industrial Development Stepped Non-Industrial Rates Exemption within the boundaries of the City's Community Improvement Project Areas (CIPAs) and Business Improvement Areas (BIAs) (Section 29(a) of By-law 19-142);
 - (iv) The 5,000 square foot Non-Industrial Expansion Exemption for Office Developments (Section 29(b) of By-law 19-142);
 - (v) Agricultural Use (Section 25(b) of By-law 19-142);
 - (vi) The Place of Worship Exemption (Section 25(b) of By-law 19-142);
 - (vii) Transition Policy (Section 41(a) of By-law 19-142);
 - (viii) The Parking Exemption, other than Commercial Parking (Section 25(a) of By-law 19-142);
 - (ix) The Temporary Building or Structure Exemption (Section 25(b) of By-law 19-142);
 - (x) Section 26 respecting a 70% exemption for Class A Office within the Downtown Community Improvement Area (CIPA) Exemption;
 - (xi) Section 28 respecting limitations on stacking discretionary exemptions such that only the higher of any applicable discretionary exemptions apply to each development.
 - (xii) The discretionary ERASE Deferral Agreement Policy (Section 34(b) of By-law 19-142);
 - (xiii) The discretionary Public Hospitals Deferral Policy (Section 34(d) of By-law 19-142);
 - (xiv) The discretionary Post-Secondary Deferral Policy (Section 34(e) of By-law 19-142);
- (b) That the following policies contained within the existing City of Hamilton Development Charges By-law (19-142) modified in the draft 2024 Development Charge By-laws prepared for public consultation:
- (i) That the 50% Industrial Detached Expansion Exemption (Sections 21 to 24 of By-law 19-142) be removed;
 - (ii) That the Downtown Community Improvement Area (CIPA) Exemption (Sections 26 to 28 of By-law 19-142) be modified in the draft 2024 Development Charge By-laws prepared for public consultation as follows:

- (i) Section 27(a) through (d) respecting a reduction for all other development within the Downtown CIPA be modified to apply a 40% exemption to non-residential development (including the non-residential portion of a mixed-use development) only;
 - (ii) Section 27(e) respecting a Downtown Public Art Reallocation Option be removed;
- (c) That the Industrial Reduced Rate (Section 9(c) of By-law 19-142) be modified and renamed in the draft 2024 Development Charge By-laws prepared for public consultation such that:
- (i) it provides a net 37% reduction in the overall Development Charge rate by editing the percentage of the Services Related to a Highway;
 - (ii) the reduced rate no longer applies to Industrial Developments;
 - (iii) the reduced rate applies to Artists' Studios and Production Studios.
- (d) That the discretionary exemptions in the draft 2024 Development Charge By laws prepared for public consultation apply to the net rates after the statutory phase in deduction (Section 5 (6) 4. of the Development Charges Act, 1997) has been applied.
- (e) That the discretionary Deferral Agreement Policy (Section 34(a) & (c) of By law 19 142) be amended to permit staff to accept payment of DCs as early as building permit issuance where a statutory instalment plan has been legislated.
- (f) The Indexing Policy (Section 38 of By-law 19-142) be modified such that the initial indexing occurs on the date that the by-law is implemented and annually thereafter.
- (g) The Date By-law Effective (Section 44 of By-law 19-142) be set as June 1, 2024 in the draft 2024 Development Charge By-laws prepared for public consultation.

3. Area Specific and Local Service Policy – 2024 Development Charges Background Study and By-law Update (FCS23104) (City Wide) (Item 11.3)

- (a) That as required by Section 10 (2) (c.1) of the *Development Charges Act, 1997*, the following services continue with a City-wide approach to Development Charges and included in the 2024 Development Charges Background Study prepared for public consultation:
 - (i) Transit

- (ii) Services Related to a Highway
 - (iii) Public Works
 - (iv) Waste Diversion Services
 - (v) Policing Services
 - (vi) Fire Protection Services
 - (vii) Ambulance Services
 - (viii) Library Services
 - (ix) Long-term Care Services
 - (x) Parks and Recreation Services
 - (xi) Public Health Services
 - (xii) Childcare
 - (xiii) Provincial Offences Act Administration
- (b) That as required by Section 10 (2) (c.1) of the *Development Charges Act, 1997*, the following service continue with an Area Specific Development Charge and included in the 2024 Development Charges Background Study prepared for public consultation:
- (i) Storm Water Services – Calculated on a combined versus separated sewer system;
- (c) That as required by Section 10 (2) (c.1) of the *Development Charges Act, 1997*, the following services continue with a City-wide approach to Development Charges and included in the 2024 Development Charges Background Study prepared for public consultation:
- (i) Water (urban);
 - (ii) Wastewater Facilities (urban);
 - (iii) Wastewater Linear (urban);
- (d) That the Special Area Charge for Dundas / Waterdown (wastewater capacity) continue to be applied on an area-specific basis;
- (e) That in accordance with Section 59.1(1) and (2) of the *Development Charges Act, 1997*, a Local Service Policy be recommended for inclusion in the 2024 Development Charges Background Study prepared for public consultation and that the draft principles attached as Appendix “A” to Report FCS23104 be approved.

FOR INFORMATION:

(a) APPROVAL OF THE AGENDA (Item 2)

The Committee Clerk advised there were changes to the agenda:

5. COMMUNICATIONS

- 5.3 Ryan Millar, Emblem Developments Inc., respecting Reduction of Incentives

Recommendation: Be Received.

The agenda of the November 9, 2023 meeting was approved, as presented.

(b) DECLARATIONS OF INTEREST (Item 3)

None.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4)

(i) September 18, 2023 (Item 4.1)

The Minutes of the September 18, 2023 meeting, were approved, as presented.

(d) COMMUNICATIONS (Item 5)

(i) Communication Items 5.1, 5.2 and Added Item 5.3

- (i) Stefano Guglietti, Melrose Investments Inc., respecting Removal of the CIPA Exemption Program

Recommendation: Be received.

- (ii) Consideration For Non-Profit Child Care Centres To Be Exempted From Development Charges

Recommendation: Referred to Committee (from the October 25, 2023 Council meeting) for their consideration and appropriate action.

- (iii) Ryan Millar, Emblem Developments Inc. respecting Reduction of Incentives

Recommendation: Be received.

The Communications Items 5.1 and 5.3 were received, and Item 5.2 was referred to Committee for their consideration and appropriate action.

(e) STAFF PRESENTATIONS (Item 8)

(i) 2024 Development Charges Background Study and By-law, and Draft Capital Listing (Item 8.1)

Gary Scandlan and Erik Karvinen of Watson & Associates Economists Limited addressed the Committee respecting 2024 Development Charges Background Study and By-law, and Draft Capital Listing, with the aid of a PowerPoint presentation.

The presentation respecting 2024 Development Charges Background Study and By-law, and Draft Capital Listing, was received.

For disposition of this matter, refer to Item 1.

(f) ADJOURNMENT (Item 16)

There being no further business, the Development Charges Stakeholders Sub-Committee, adjourned at 10:56 a.m.

Respectfully submitted,

Councillor C. Cassar, Chair
Development Charges
Stakeholders Sub-Committee

Lisa Kelsey
Legislative Coordinator
Office of the City Clerk