

Declarations of Interests

Presentation

1. Mr. Jason Bevan and Mr. Craig Binning of Hemson Consulting to address the Committee with a PowerPoint presentation.

(PowerPoint presentation to be distributed at meeting)

Items

2. Mr. Daniel Berholz of Green & Rose Developments Inc. to address the Committee regarding the Development Charges By-law as related to 212 Davis Drive. p. 1

3. Joint CAO and Commissioners Corporate Services, Development and Infrastructure Services and Community Services - Finance Report 2014-10 dated June 19, 2014 regarding the 2014 Development Charges Review. p. 2

(Hemson Consulting Limited Background Study circulated to Mayor and Members of Council separately, hard copy available upon request in Clerk's Office)

The Chief Administrative Officer, the Commissioners of Corporate Services, Development and Infrastructure Services and Community Services recommend:

a) THAT Joint CAO & Commissioners of Corporate Services, Development and Infrastructure Services and Community Services Finance Report 2014-10 dated June 19, 2014 regarding the 2014 Development Charges Review be received and that staff be directed to report back to Council on July 21, 2014 with the finalized development charges by-laws and Background Study for adoption.

Closed Session (if required)

Adjournment

Deputation and Further¹ Notice Request Form

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Subject:

Date of Meeting: Agenda Item No.:

I wish to address Council / Committee

I request future notification of meetings.

Name:

Organization / Group/ Business represented:

Address: Postal Code:

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Home Phone: Business Phone:

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Personal information on this form will be used for the purposes of sending correspondence relating to matters before Council. Your name, address, comments, and any other personal information, is collected and maintained for the purpose of creating a record that is available to the general public in a hard copy format and on the internet in an electronic format pursuant to Section 27 of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c.M.56, as amended. Questions about this collection should be directed to the Director of Legislative Services/Town Clerk, Town of Newmarket, 395 Mulock Drive, P.O. Box 328, STN Main, Newmarket, ON L3Y 4X7; Telephone 905 895-5193 Ext. 2211 Fax 905-953-5100.



TOWN OF NEWMARKET
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June 19, 2014

**JOINT CAO & COMMISSIONERS CORPORATE SERVICES, DEVELOPMENT
INFRASTRUCTURE SERVICES & COMMUNITY SERVICES/ FINANCE REPORT – 2014-10**

TO: Mayor Van Bynen and Members of Council
SUBJECT: 2014 Development Charges Review
ORIGIN: Commissioner, Corporate Services

RECOMMENDATION:

THAT Joint CAO & Commissioners of Corporate Services, Development Infrastructure Services and Community Services and Finance Report #2014-10 dated June 19, 2014 regarding the 2014 Development Charges Review be received and that staff be directed to report back to Council on July 21, 2014 with the finalized development charges by-laws and Background Study for adoption.

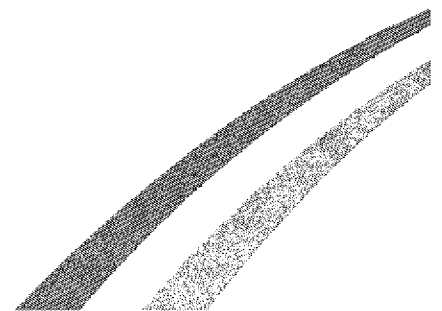
COMMENTS

As was reported earlier, the Town adopted three by-laws in 2009 under the *Development Charges Act, 1997* ("Act"). The Act states that unless they are expired or repealed earlier, a development charge by-law expires five years after the day it comes into force. The Act also requires the preparation of an updated development charges Background Study as the basis for adoption of new development charges by-laws and rates. Two of the by-laws will be updated (Town – wide and Northwest Quadrant) and one is being left to expire (Goldstein/Trinison).

Hemson Consulting Limited has prepared the Background Study and it has been posted on the web and circulated to Members of Council separately from this report. A hard copy is available upon request.

The Special Committee of the Whole meeting on June 23, 2014 is the Statutory Public meeting held pursuant to the Act. Hemson is providing a presentation summarizing the Background Study and responding to comments that had been received earlier (either in writing or at the Stakeholder Session). Hemson has as part of the Background Study (page 12) provided some standard recommendations and it should be noted that if they had not already been included in the current by-laws, the draft development charges by-laws attached as Appendix A, have incorporated these recommendations.

A stakeholder session was held on June 4. It was led by the consulting group and attended by representatives from the development community and interested members of the public. Approximately 12 stakeholders attended. Comments and questions received were primarily around the phasing in of the charges. In addition, comments in writing were received and have been attached to this report as Appendix B.



As Hemson has noted in the Background Study, the calculated increases to the development charges are predominantly due to an expansion of the Engineering Services capital program which includes the Urban Centres road network.

Options for implementation are wide and varied – from the immediate application of full rates to various phase-in or transitional approaches. Phasing and transitioning rates is a practice many municipalities use as it provides a fairness component for those already in the development process and while it potentially means a loss of revenue, it does provide incentives for development.

In response to stakeholder comments, staff reviewed with the consultant phase-in or transition options for the implementation of the Town's new development charges rates. Attached as Appendix C is the preferred implementation option being transition rates for the singles/semis; rows and other multiples and non-residential classes (current rate + 10% of the difference between the current and new rate) and a combination of transition and phase-in rates for the small/large apartment class (transition rate same as noted above and a phase-in of the full rate). As mentioned there are many variables for implementation but it is the opinion of the consultant and staff that the one being presented provides a balanced approach to implementation and fiscal responsibility.

This preferred implementation option will provide incentive for certain types of development (rental and condominium units where the proposal is to phase in the rates) while the transition rates are intended to assist those with approved, or close to approved, planning applications. This seems appropriate given that the current development charge rates are in the developer's pro formas (financial calculations). Any further direction on implementation provided by Committee will be reflected in the final report.

Additional comments that are received at the Statutory Public meeting or in writing will be considered by staff and the consultant and summarized in a final report. This report will be presented to Council on July 21, 2014 at which time Council will be considering for adoption the 2014 Development Charges Background Study and the finalized by-laws.

To continue the uninterrupted collection of development charges, the adoption of the two development charges by-laws (Town-wide and Northwest Quadrant) and Background Study must occur before the 2009 by-laws expire on August 31, 2014.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links to Newmarket's key strategic directions in being Well Equipped and Managed by implementing policies and processes that reflect sound and accountable governance and by being fiscally responsible.

CONSULTATION

Consultation has taken place with the development community and other interested parties at a Public Information Centre on June 4, 2014. The by-laws and associated documentation are being reviewed by external legal counsel and appropriate departments have been consulted throughout the process.

The development community has been kept apprised of the various meetings and documents available for their information via either electronic or regular mail. Advertisements have been placed on the Town page and web site notifying the community of the stakeholder session and the Statutory Public meeting.

HUMAN RESOURCE CONSIDERATIONS

None.

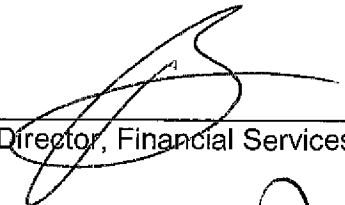
BUDGET IMPACT

The Town needs to continue to implement development charges to fund capital projects related to development so that development pays for its capital requirements to the extent permitted under the *Development Charges Act*. This will ensure that new services required by growth are provided in a fiscally responsible manner.


It is noted that implementing development charges using phase-in and transition rates means a potential loss of revenue and staff will review and report on this in the final report.

CONTACT

For more information on this report, contact Anita Moore, Commissioner, Corporate Services at 905-955-5300, ext. 2202 or Mike Mayes, Director, Financial Services at 905-955-5300, ext. 2102.



Director, Financial Services

Commissioner, Corporate Services

Commissioner, Community Services

Commissioner, Development and Infrastructure

Chief Administrative Officer

Attachments: Appendix A – draft Town-wide and Northwest Quadrant Development Charges by-laws
 Appendix B – written comments received to date
 Appendix C – draft Development Charges preferred implementation option

Appendix 'A'

Draft 2014 Development Charges by-laws:

- Town – wide
- Northwest Quadrant

CORPORATION OF THE TOWN OF NEWMARKET**BY-LAW NUMBER 2014 XX**

WHEREAS the *Development Charges Act, 1997* (the "Act") provides that the council of a municipality may by by-law impose development charges against land to pay for increased capital costs required because of increased needs for services;

AND WHEREAS a Development Charge Background Study, dated June 6, 2014, was prepared by Hemson Consulting Ltd. in accordance with the Act;

AND WHEREAS the Council of the Town of Newmarket has given notice and held a public meeting on the 23rd day of June, 2014 in accordance with the Act and the regulations thereto;

AND WHEREAS the Council of the Town of Newmarket has heard all persons who applied to be heard and received written submissions whether in objection to, or in support of, the development charges proposal at the public meeting held on the 23rd day of June, 2014;

AND WHEREAS by resolution adopted by Council of the Town of Newmarket on July XX, 2014, Council has indicated that it intends to ensure that the increase in the need for services attributable to the anticipated development, including any capital costs, will be met, by updating its capital budget and forecast where appropriate;

AND WHEREAS by resolution, adopted by Council of the Town of Newmarket on July XX, 2014, Council determined that no further public meetings were required under Section 12 of the Act;

AND WHEREAS by resolution, adopted by Council of the Town of Newmarket on July XX, 2014, Council approved the Report titled "Corporate Services Report 2014-XX dated July XX, 2014 regarding Development Charges By-laws", thereby adopting the development charge rates as set out in Schedule "B";

THEREFORE BE IT ENACTED by the Municipal Council of the Corporation of the Town of Newmarket as follows:

1.0 DEFINITIONS

1.1 In this by-law,

- 1) "Act" means the *Development Charges Act, 1997*, as amended, or any successor thereto;
- 2) "accessory use" means where used to describe a use, building or structure, that the use, building or structure is naturally and normally incidental, subordinate in purpose of floor area or both and exclusively devoted to a principal use, building or structure;

- 3) "agricultural use" means lands, buildings or structures, excluding any portion thereof used as a dwelling unit, used or designed or intended for use for the purpose of a bona fide farming operation including, but not limited to, animal husbandry, dairying, livestock, fallow, field crops, removal of sod, forestry, fruit farming, horticulture, market gardening, pasturage, poultry keeping, equestrian facilities and any other activities customarily carried on in the field of agriculture;
- 4) "apartment unit" means a residential building or the residential portion of a mixed use building, other than a townhouse or a stacked townhouse, consisting of more than 3 dwelling units, which dwelling units have a common entrance to grade;
- 5) "bedroom" means a habitable room larger than seven square metres, including a den, study or other similar area, but does not include a living room, dining room or kitchen;
- 6) "benefiting area" means an area defined by a map, plan or legal description in a front-ending agreement as an area that will receive a benefit from the construction of a service;
- 7) "board of education" has the same meaning as that specified in the *Education Act* or any successor thereto;
- 8) "Building Code Act" means the *Building Code Act*, 1992, as amended; or any successor thereto;
- 9) "capital cost" means costs incurred or proposed to be incurred by the municipality or a local board thereof directly or by others on behalf of and as authorized by the municipality or local board,
 - (a) to acquire land or an interest in land, including a leasehold interest,
 - (b) to improve land,
 - (c) to acquire, lease, construct or improve buildings and structures,
 - (d) to acquire, construct or improve facilities including,
 - i. furniture and equipment other than computer equipment, and
 - ii. materials acquired for circulation, reference or information purposes by a library board as defined in the *Public Libraries Act*, and
 - iii. rolling stock with an estimated useful life of seven years or more, and
 - (e) to undertake studies in connection with any matter under the Act and any of the matters in clauses (a) to (d), including the development charge background study required for the provision of services designated in this by-law within or outside the municipality, including interest on borrowing for those expenditures under clauses (a), (b), (c) and (d) that are growth related;

- 10) "commercial" means any non-residential development not defined under "institutional" or "industrial";
- 11) "community use" means a facility traditionally provided by a municipality which serves a municipal purpose and shall include a community centre, library/research facility, recreation facility and a shelter;
- 12) "council" means the Council of the municipality;
- 13) "development" includes redevelopment;
- 14) "development charge" means a charge imposed with respect to this by-law;
- 15) "duplex" means a building comprising, by horizontal division, two dwelling units, each of which has a separate entrance to grade;
- 16) "dwelling unit" means any part of a building or structure used, designed or intended to be used as a domestic establishment in which one or more persons may sleep and are provided with culinary and sanitary facilities for their exclusive use;
- 17) "farm building" means that part of a bona fide farming operation encompassing barns, silos and other ancillary development to an agricultural use, but excluding a residential use;
- 18) "funeral home" means a building with facilities for the preparation of dead persons for burial or cremation, for the viewing of the body and for funeral services;
- 19) "grade" means the average level of finished ground adjoining a building or structure at all exterior walls;
- 20) "gross floor area" means, in the case of a non-residential building or structure or the non-residential portion of a mixed-use building or structure, the aggregate of the areas of each floor, whether above or below grade, measured between the exterior faces of the exterior walls of the building or structure or from the centre line of a common wall separating a non-residential and a residential use, excluding, in the case of a building or structure containing an atrium, the sum of the areas of the atrium at the level of each floor surrounding the atrium above the floor level of the atrium, and excluding, in the case of a building containing parking spaces, the sum of the areas of each floor used, or designed or intended for use for the parking of motor vehicles unless the building or structure is a parking structure, and, for the purposes of this definition, notwithstanding any other section of this by-law, the non-residential portion of a mixed-use building is deemed to include one-half of any area common to the residential and non-residential portions of such mixed-use building or structure. Notwithstanding any other section of this by-law, gross floor area shall not include the surface area of swimming pools or the playing surfaces of indoor sport fields including hockey arenas, and basketball courts;

- 21) "group home" means a residential building or the residential portion of a mixed-use building containing a single housekeeping unit supervised on a 24 hour a day basis on site by agency staff on a shift rotation basis, funded wholly or in part by any government and licensed, approved or supervised by the Province of Ontario under any general or special act, for the accommodation of not less than 3 and not more than 8 residents, exclusive of staff;
- 22) "heritage property" means a building or structure which, in the opinion of the local architectural conservation advisory committee is of historic or architectural value or interest, or which has been so designated under the Ontario Heritage Act;
- 23) "hotel" means a commercial establishment offering lodging to travelers and sometimes to permanent residents, and may include other services such as restaurants, meeting rooms and stores, that are available to the general public;
- 24) "industrial" means lands, buildings or structures used or designed or intended for use for manufacturing, processing, fabricating or assembly of raw goods, warehousing or bulk storage of goods, and includes office uses and the sale of commodities to the general public where such uses are accessory to an industrial use, but does not include the sale of commodities to the general public through a warehouse club;
- 25) "institutional" means lands, buildings or structures used or designed or intended for use by an organized body, society or religious group for promoting a public or non-profit purpose and shall include, but without limiting the generality of the foregoing, places of worship, and special care facilities;
- 26) "large apartment" means a dwelling unit in an apartment building or a plex that is 650 square feet or larger in size;
- 27) "local board" has the same definition as defined in the *Development Charges Act*;
- 28) "local services" means those services, facilities or things which are under the jurisdiction of the municipality and are related to a plan of subdivision or within the area to which the plan relates in respect of the lands under Sections 41, 51 or 53 of the *Planning Act* as amended or any successor thereto;
- 29) "mixed-use" means land, buildings or structures used, or designed or intended for use, for a combination of non-residential and residential uses;
- 30) "mobile home" means any dwelling that is designed to be made mobile, and constructed or manufactured to provide a permanent residence for one or more persons, but does not include a travel trailer or tent trailer;
- 31) "multiple dwellings" includes townhouses, stacked and back-to-back townhouses, mobile homes, group homes and all other residential uses that are not included in the definition of "apartment building", "small apartment", "large apartment", "single detached dwelling" or "semi-detached dwelling";

- 32) "municipality" means the Corporation of the Town of Newmarket;
- 33) "non-residential use" means, a building or structure of any kind whatsoever used, designed or intended to be used for other than a residential use and includes all commercial, industrial and institutional uses;
- 34) "non-profit" means a corporation without share capital that has objects of a charitable nature;
- 35) "owner" means the owner of land or a person who has made application for an approval for the development of land upon which a development charge is imposed;
- 36) "place of worship" means a building or structure that is used primarily for worship;
- 37) "plex" means a duplex, a semi-detached duplex, a triplex or a semi-detached triplex;
- 38) "parking structure" means a building or structure principally used for the parking of motor vehicles and shall include a building or structure, or any part thereof, where motor vehicles are stored prior to being sold or rented to the general public;
- 39) "private school" means an educational institution operated on a non-profit basis, excluding any dormitory or residence accessory to such private school, that is used primarily for the instruction of students in courses of study approved or authorized by the Minister of Education and Training;
- 40) "regulation" means any regulation made pursuant to the Act;
- 41) "residential use" means lands, buildings or structures used, or designed or intended for use as a residence for one or more individuals, and shall include, but is not limited to, a single detached dwelling, a semi-detached dwelling, a townhouse, a stacked townhouse, a plex, an apartment building, a group home, a mobile home and a residential dwelling unit accessory to a non-residential use but shall not include a lodging house licensed by a municipality;
- 42) "semi-detached duplex" means one of a pair of attached duplexes, each duplex divided vertically from the other by a party wall;
- 43) "semi-detached dwelling" means a building divided vertically into and comprising 2 dwelling units;
- 44) "semi-detached triplex" means one of a pair of triplexes divided vertically one from the other by a party wall;
- 45) "services" (or "service") means those services designated in Schedule "A" to this by-law;
- 46) "servicing agreement" means an agreement between a landowner and the municipality relative to the provision of municipal services to specified lands within the municipality;

- 47) "shelter" means a building in which supervised short-term emergency shelter and associated support services are provided to individuals who are fleeing situations of physical, financial, emotional or psychological abuse;
- 48) "single detached dwelling" and "single detached" means a residential building consisting of one dwelling unit that is not attached to another structure above grade. For greater certainty, a residential building consisting of one dwelling unit that is attached to another structure by footings only shall be considered a single family dwelling for purposes of this by-law;
- 49) "small apartment" means a dwelling unit in an apartment building or a plex that is less than 650 square feet in size;
- 50) "stacked townhouse" means a building, other than a plex, townhouse or apartment building, containing at least 3 dwelling units, each dwelling unit being separated from the other vertically and/or horizontally and each dwelling unit having an entrance to grade shared with no more than 3 other units;
- 51) "townhouse" means a building, other than a plex, stacked townhouse or apartment building, containing at least 3 dwelling units, each dwelling unit separated vertically from the other by a party wall and each dwelling unit having a separate entrance to grade;
- 52) "triplex" means a building comprising 3 dwelling units, each of which has a separate entrance to grade;

2.0 DESIGNATION OF SERVICES

2.1 The categories of services for which development charges are imposed under this by-law are as follows:

- a) General Government;
- b) Library;
- c) Fire Services;
- d) Recreation;
- e) Outdoor Recreation;
- f) Yards & Fleet;
- g) Parking; and
- h) Town-Wide Engineered Services.

2.2 The components of the services designated in subsection 2.1 are described in Schedule A.

3.0 APPLICATION OF BY-LAW RULES

3.1. Development charges shall be payable in the amounts set out in this by-law where:

- a) the lands are located in the area described in subsection 3.2; and

- b) the development of the lands requires any of the approvals set out in subsection 3.4(a).

Area to Which By-law Applies

- 3.2 Subject to subsection 3.3, this by-law applies to all lands in the geographic area of the Town of Newmarket save and except the lands illustrated on Schedule "C" to this By-law.
- 3.3 This by-law shall not apply to lands that are owned by and used for the purposes of:
- a) The Town of Newmarket or a local board thereof;
 - b) A board as defined in section 1(1) of the *Education Act*;
 - c) The Region of York or a local board thereof.

Approvals for Development

- 3.4
- a) Development charges shall be imposed on all lands, buildings or structures that are developed for residential or non-residential uses if the development requires,
 - i. The passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*;
 - ii. The approval of a minor variance under section 45 of the *Planning Act*;
 - iii. A conveyance of land to which a by-law passed under subsection 50(7) of the *Planning Act* applies;
 - iv. The approval of a plan of subdivision under section 51 of the *Planning Act* or any successor thereto;
 - v. A consent under section 53 of the *Planning Act*;
 - vi. The approval of a description under section 50 of the *Condominium Act*; or
 - vii. The issuing of a permit under the *Building Code Act, 1992* in relation to a building or structure.
 - b) No more than one development charge for each service designated in subsection 2.1 shall be imposed upon any lands, buildings or structures to which this by-law applies even though two or more of the actions described in

subsection 3.4(a) are required before the lands, building or structures can be developed.

- c) Despite subsections 3.4(b), if two or more of the actions described in subsection 3.4(a) occur at different times, additional development charges shall be imposed if the subsequent action has the effect of increasing the need for services.

Exemptions

3.5.1 Notwithstanding the provisions of this by-law, but subject to subsection 3.5.2, development charges shall not be imposed or may be deferred, on terms and conditions, satisfactory to the Region, with respect to:

- a) the relocation of a heritage house;
- b) a building or structure used for a community use owned by a nonprofit corporation;
- c) land owned by and used for the purposes of a private school that is exempt from taxation under the Assessment Act or any successor thereto;
- d) lands, buildings or structures used or to be used for the purposes of a cemetery or burial ground exempt from taxation under the Assessment Act or any successor thereto;
- e) non-residential uses permitted pursuant to section 39 of the *Planning Act* or any successor thereto;
- f) the issuance of a building permit not resulting in the creation of additional non-residential gross floor area;
- g) agricultural uses;
- h) development creating or adding an accessory use or structure not exceeding 100 square metres of gross floor area save and except for any live work units with a retail component; for such units development charges will be payable pursuant to subsection 3.10 on the retail component;
- i) a public hospital receiving aid under the Public Hospitals Act or any successor thereto;

Amount of Charges

Residential

- 3.6 The development charges described in Schedule B to this by-law shall be imposed on residential uses of lands, buildings or structures, including a dwelling unit accessory to a non-residential use and, in the case of a mixed use building or structure, on the residential uses in the mixed use building or structure, according to the type of residential unit, and calculated with respect to each of the services according to the type of residential use.

Non-Residential Uses

- 3.7 The development charges described in Schedule B to this by-law shall be imposed on non-residential uses of lands, buildings or structures, and, in the case of a mixed-use building or structure, on the non-residential uses in the mixed use building or structure, and calculated with respect to each of the services according to the gross floor area of the non-residential use.

Place of Worship

- 3.8 Despite subsection 3.7, development charges shall not be imposed in respect of the gross floor area of a place of worship to a maximum of 5,000 square feet (or 464.5 square metres) or in respect of that portion of the gross floor area of a place of worship which is used as an area for worship, whichever is greater.

Reduction of Development Charges Where Redevelopment

- 3.9 Despite any other provision of this by-law, where, as a result of the redevelopment of land, a building or structure existing on the same land within 60 months prior to the date of payment of development charges in regard to such redevelopment was, or is to be demolished, in whole or in part, or converted from one principal use to another principal use on the same land, in order to facilitate the redevelopment, the development charges otherwise payable with respect to such redevelopment shall be reduced by the following amounts:
- a) In the case of a residential building or structure, or in the case of a mixed-use building or structure, the residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charge under subsections 3.6 of this by-law by the number, according to type, of dwelling units that have been or will be demolished or converted to another principal use; and

- b) In the case of a non-residential building or structure or, in the case of mixed-use building or structure, the non-residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charges under subsection 3.7 of this by-law by the gross floor area that has been or will be demolished or converted to another principal use;

provided that such amounts shall not exceed, in total, the amount of the development charges otherwise payable with respect to the redevelopment.

Time of Payment of Development Charges

- 3.10 Development charges imposed under this section are payable upon issuance of a building permit with respect to each dwelling unit, building or structure for general government, library, fire, recreation facilities, outdoor recreation and yards and fleet services. Development charges for town-wide engineered services shall be payable upon registration of subdivision agreement.
- 3.11 Despite subsection 3.10, Council, from time to time, and at any time, may enter into agreements providing for all or any part of a development charge to be paid before or after it would otherwise be payable.

4.0 PAYMENT BY SERVICES

- 4.1 Despite the payments required under subsection 3.10, Council may, by agreement, give a credit towards a development charge in exchange for work that relates to a service for which a development charge is imposed under this by-law.

5.0 INDEXING

- 5.1 Development charges imposed pursuant to this by-law shall be adjusted annually, without amendment to this by-law, on July 1st, commencing in 2015 and each year thereafter, in accordance with the Statistics Canada Quarterly Construction Price Statistics.

6.0 SCHEDULES

- 6.1 The following schedules to this by-law form an integral part thereof:
 - Schedule A- Components of Services Designated in subsection 2.1
 - Schedule B -Residential and Non-Residential Development Charges
 - Schedule C - Land within Town of Newmarket to which this By-law does not apply

7.0 DATE BY-LAW IN FORCE

7.1 This by-law shall come into force on the date of passage of the by-law

8.0 DATE BY-LAW EXPIRES

8.1 This by-law will expire five years from the date of passage, unless it is repealed at an earlier date.

THAT By-law 2009-73 hereby repealed:

ENACTED THIS XX DAY OF JULY, 2014.

Tony Van Bynen, Mayor

Town Clerk

Schedule "A"
The Town of Newmarket
Town-wide Development Charge Services

1.0 General Government

2.0 Library

3.0 Fire Services

4.0 Recreation

5.0 Outdoor Recreation

6.0 Yards & Fleet

7.0 Parking

8.0 Town-Wide Engineered Services

Schedule "B"
The Town of Newmarket
Development Charge Summary

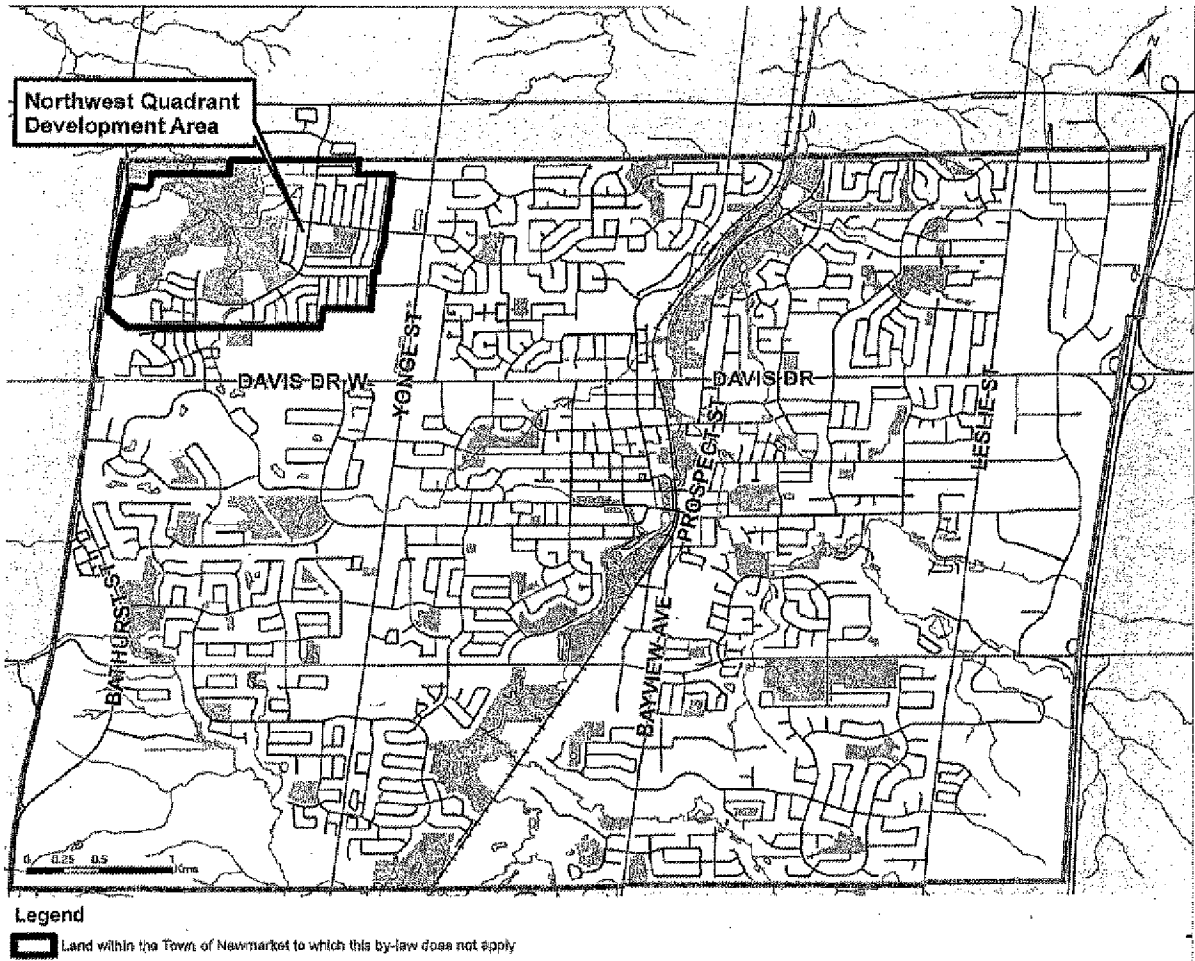
RESIDENTIAL CHARGES

Service	Residential Charge By Unit Type			
	Singles & Semis	Rows & Other Multiples	Apartments	
			Large Bedrooms > 650 sq. ft	Small Bedroom < 650 sq. ft
General Government	\$401	\$318	\$249	\$213
Library	\$837	\$664	\$518	\$444
Fire Services	\$584	\$463	\$362	\$310
Recreation Facilities	\$6,683	\$5,301	\$4,138	\$3,546
Outdoor Recreation	\$4,578	\$3,631	\$2,835	\$2,429
Yards & Fleet	\$1,092	\$866	\$676	\$580
Municipal Parking	\$340	\$270	\$211	\$180
Subtotal General Services	\$14,515	\$11,513	\$8,989	\$7,702
Town-Wide Engineered Services	\$7,092	\$5,626	\$4,392	\$3,763
TOTAL CHARGE PER UNIT	\$21,607	\$17,139	\$13,381	\$11,465

NON-RESIDENTIAL CHARGES

Service	Charge per Square Metre
General Government	\$2.51
Library	\$0.00
Fire Services	\$3.65
Recreation Facilities	\$0.00
Outdoor Recreation	\$0.00
Yards & Fleet	\$6.83
Municipal Parking	\$2.13
Subtotal General Services	\$15.12
Town-Wide Engineered Services	\$44.44
TOTAL CHARGE PER SQUARE METRE	\$59.56

Schedule "C"
Land within Town of Newmarket to which this By-law does not apply



**CORPORATION OF THE TOWN OF
NEWMARKET**

BY-LAW NUMBER 2014 XX

WHEREAS the *Development Charges Act*, 1997 (the "Act") provides that the council of a municipality may by by-law impose development charges against land to pay for increased capital costs required because of increased needs for services;

AND WHEREAS a Development Charge Background Study, dated June 6, 2014, was prepared by Hemson Consulting Ltd. in accordance with the Act;

AND WHEREAS the Council of the Town of Newmarket has given notice and held a public meeting on the 23rd day of June, 2014 in accordance with the Act and the regulations thereto;

AND WHEREAS the Council of the Town of Newmarket has heard all persons who applied to be heard and received written submissions whether in objection to, or in support of, the development charges proposal at the public meeting held on the 23rd day of June, 2014;

AND WHEREAS by resolution adopted by Council of the Town of Newmarket on July XX, 2014, Council has indicated that it intends to ensure that the increase in the need for services attributable to the anticipated development, including any capital costs, will be met, by updating its capital budget and forecast where appropriate;

AND WHEREAS by resolution, adopted by Council of the Town of Newmarket on July XX, 2014, Council determined that no further public meetings were required under Section 12 of the Act;

AND WHEREAS by resolution, adopted by Council of the Town of Newmarket on July XX, 2014, Council approved the Report titled "Corporate Services Report 2014-XX dated July XX, 2014 regarding Development Charges By-laws", thereby adopting the development charge rates as set out in Schedule "B";

THEREFORE BE IT ENACTED by the Municipal Council of the Corporation of the Town of Newmarket as follows:

1.0 DEFINITIONS

1.1 In this by-law,

- 1) "Act" means the *Development Charges Act*, 1997, as amended, or any successor thereto;
- 2) "accessory use" means where used to describe a use, building or structure, that the use, building or structure is naturally and normally incidental, subordinate in purpose of floor area or both and exclusively devoted to a principal use, building or structure;

- 3) "agricultural use" means lands, buildings or structures, excluding any portion thereof used as a dwelling unit, used or designed or intended for use for the purpose of a bona fide farming operation including, but not limited to, animal husbandry, dairying, livestock, fallow, field crops, removal of sod, forestry, fruit farming, horticulture, market gardening, pasturage, poultry keeping, equestrian facilities and any other activities customarily carried on in the field of agriculture;
- 4) "apartment unit" means a residential building or the residential portion of a mixed use building, other than a townhouse or a stacked townhouse, consisting of more than 3 dwelling units, which dwelling units have a common entrance to grade;
- 5) "bedroom" means a habitable room larger than seven square metres, including a den, study or other similar area, but does not include a living room, dining room or kitchen;
- 6) "benefiting area" means an area defined by a map, plan or legal description in a front-ending agreement as an area that will receive a benefit from the construction of a service;
- 7) "board of education" has the same meaning as that specified in the *Education Act* or any successor thereto;
- 8) "Building Code Act: means the *Building Code Act*, 1992, as amended; or any successor thereto;
- 9) "capital cost" means costs incurred or proposed to be incurred by the municipality or a local board thereof directly or by others on behalf of and as authorized by the municipality or local board,
 - (a) to acquire land or an interest in land, including a leasehold interest,
 - (b) to improve land,
 - (c) to acquire, lease, construct or improve buildings and structures,
 - (d) to acquire, construct or improve facilities including,
 - i. furniture and equipment other than computer equipment, and
 - ii. materials acquired for circulation, reference or information purposes by a library board as defined in the *Public Libraries Act*, and
 - iii. rolling stock with an estimated useful life of seven years or more, and
 - (e) to undertake studies in connection with any matter under the Act and any of the matters in clauses (a) to (d), including the development charge background study required for the provision of services designated in this by-law within or outside the municipality, including interest on

borrowing for those expenditures under clauses (a), (b), (c) and (d) that are growth related;

- 10) "commercial" means any non-residential development not defined under "institutional" or "industrial"
- 11) "community use" means a facility traditionally provided by a municipality which serves a municipal purpose and shall include a community centre, library/research facility, recreation facility and a shelter;
- 12) "council" means the Council of the municipality;
- 13) "development" includes redevelopment;
- 14) "development charge" means a charge imposed with respect to this by-law;
- 15) "duplex" means a building comprising, by horizontal division, two dwelling units, each of which has a separate entrance to grade;
- 16) "dwelling unit" means any part of a building or structure used, designed or intended to be used as a domestic establishment in which one or more persons may sleep and are provided with culinary and sanitary facilities for their exclusive use;
- 17) "farm building" means that part of a bona fide farming operation encompassing barns, silos and other ancillary development to an agricultural use, but excluding a residential use;
- 18) "funeral home" means a building with facilities for the preparation of dead persons for burial or cremation, for the viewing of the body and for funeral services;
- 19) "grade" means the average level of finished ground adjoining a building or structure at all exterior walls
- 20) "gross floor area" means, in the case of a non-residential building or structure or the non-residential portion of a mixed-use building or structure, the aggregate of the areas of each floor, whether above or below grade, measured between the exterior faces of the exterior walls of the building or structure or from the centre line of a common wall separating a non-residential and a residential use, excluding, in the case of a building or structure containing an atrium, the sum of the areas of the atrium at the level of each floor surrounding the atrium above the floor level of the atrium, and excluding, in the case of a building containing parking spaces, the sum of the areas of each floor used, or designed or intended for use for the parking of motor vehicles unless the building or structure is a parking structure, and, for the purposes of this definition, notwithstanding any other section of this by-law, the non-residential portion of a mixed-use building is deemed to include one-half of any area common to the residential and non-residential portions of such mixed-use building or structure. Notwithstanding any other section of this by-law, gross floor area shall not

include the surface area of swimming pools or the playing surfaces of indoor sport fields including hockey arenas, and basketball courts;

- 21) "group home" means a residential building or the residential portion of a mixed-use building containing a single housekeeping unit supervised on a 24 hour a day basis on site by agency staff on a shift rotation basis, funded wholly or in part by any government and licensed, approved or supervised by the Province of Ontario under any general or special act, for the accommodation of not less than 3 and not more than 8 residents, exclusive of staff;
- 22) "heritage property" means a building or structure which, in the opinion of the local architectural conservation advisory committee is of historic or architectural value or interest, or which has been so designated under the Ontario Heritage Act;
- 23) "hotel" means a commercial establishment offering lodging to travelers and sometimes to permanent residents, and may include other services such as restaurants, meeting rooms and stores, that are available to the general public;
- 24) "industrial" means lands, buildings or structures used or designed or intended for use for manufacturing, processing, fabricating or assembly of raw goods, warehousing or bulk storage of goods, and includes office uses and the sale of commodities to the general public where such uses are accessory to an industrial use, but does not include the sale of commodities to the general public through a warehouse club;
- 25) "institutional" means lands, buildings or structures used or 'designed or intended for use by an organized body, society or religious group for promoting a public or non-profit purpose and shall include, but without limiting the generality of the foregoing, places of worship, and special care facilities;
- 26) "large apartment" means a dwelling unit in an apartment building or a plex that is 650 square feet or larger in size;
- 27) "local board" has the same definition as defined in the *Development Charges Act*;
- 28) "local services" means those services, facilities or things which are under the jurisdiction of the municipality and are related to a plan of subdivision or within the area to which the plan relates in respect of the lands under Sections 41,51 or 53 of the *Planning Act* as amended or any successor thereto,;
- 29) "mixed-use" means land, buildings or structures used, or designed or intended for use, for a combination of non-residential and residential uses;
- 30) "mobile home" means any dwelling that is designed to be made mobile, and constructed or manufactured to provide a permanent residence for one or more persons, but does not include a travel trailer or tent trailer;
- 31) "multiple dwellings" includes townhouses, stacked and back-to-back townhouses, mobile homes, group homes and all other residential uses that are

not included in the definition of "apartment building", "small apartment", "large apartment", "single detached dwelling" or "semi-detached dwelling";

- 32) "municipality" means the Corporation of the Town of Newmarket;
- 33) "non-residential use" means, a building or structure of any kind whatsoever used, designed or intended to be used for other than a residential use and includes all commercial, industrial and institutional uses;
- 34) "non-profit" means a corporation without share capital that has objects of a charitable nature
- 35) "owner" means the owner of land or a person who has made application for an approval for the development of land upon which a development charge is imposed;
- 36) "place of worship" means a building or structure that is used primarily for worship;
- 37) "plex" means a duplex, a semi-detached duplex, a triplex or a semi-detached triplex;
- 38) "parking structure" means a building or structure principally used for the parking of motor vehicles and shall include a building or structure, or any part thereof, where motor vehicles are stored prior to being sold or rented to the general public;
- 39) "private school" means an educational institution operated on a non-profit basis, excluding any dormitory or residence accessory to such private school, that is used primarily for the instruction of students in courses of study approved or authorized by the Minister of Education and Training;
- 40) "regulation" means any regulation made pursuant to the Act;
- 41) "residential use" means lands, buildings or structures used, or designed or intended for use as a residence for one or more individuals, and shall include, but is not limited to, a single detached dwelling, a semi-detached dwelling, a townhouse, a stacked townhouse, a plex, an apartment building, a group home, a mobile home and a residential dwelling unit accessory to a non-residential use but shall not include a lodging house licensed by a municipality;
- 42) "semi-detached duplex" means one of a pair of attached duplexes, each duplex divided vertically from the other by a party wall;
- 43) "semi-detached dwelling" means a building divided vertically into and comprising 2 dwelling units;
- 44) "semi-detached triplex" means one of a pair of triplexes divided vertically one from the other by a party wall;
- 45) "services" (or "service") means those services designated in Schedule "A" to this by-law;

- 46) "servicing agreement" means an agreement between a landowner and the municipality relative to the provision of municipal services to specified lands within the municipality;
- 47) "shelter" means a building in which supervised short-term emergency shelter and associated support services are provided to individuals who are fleeing situations of physical, financial, emotional or psychological abuse;
- 48) "single detached dwelling" and "single detached" means a residential building consisting of one dwelling unit that is not attached to another structure above grade. For greater certainty, a residential building consisting of one dwelling unit that is attached to another structure by footings only shall be considered a single family dwelling for purposes of this by-law;
- 49) "small apartment" means a dwelling unit in an apartment building or a plex that is less than 650 square feet in size;
- 50) "stacked townhouse" means a building, other than a plex, townhouse or apartment building, containing at least 3 dwelling units, each dwelling unit being separated from the other vertically and/or horizontally and each dwelling unit having an entrance to grade shared with no more than 3 other units;
- 51) "townhouse" means a building, other than a plex, stacked townhouse or apartment building, containing at least 3 dwelling units, each dwelling unit separated vertically from the other by a party wall and each dwelling unit having a separate entrance to grade;
- 52) "triplex" means a building comprising 3 dwelling units, each of which has a separate entrance to grade;

2.0 DESIGNATION OF SERVICES

2.1 The categories of services for which development charges are imposed under this by-law are as follows:

- a) General Government;
- b) Library;
- c) Fire Services;
- d) Recreation;
- e) Outdoor Recreation;
- f) Yards & Fleet;
- g) Parking; and
- h) Engineered Services.

2.2 The components of the services designated in subsection 2.1 are described in Schedule A.

3.0 APPLICATION OF BY-LAW RULES

- 3.1 Development charges shall be payable in the amounts set out in this by-law where:
- a) the lands are located in the area described in subsection 3.2; and
 - b) the development of the lands requires any of the approvals set out in subsection 3.4(a).

Area to Which By-law Applies

- 3.2 Subject to subsection 3.3, this by-law applies to all lands within the Northwest Quadrant Development Area of the Town of Newmarket as shown on Schedule "C" to this By-law.
- 3.3 This by-law shall not apply to lands that are owned by and used for the purposes of:
- a) The Town of Newmarket or a local board thereof;
 - b) A board as defined in section 1(1) of the *Education Act*;
 - c) The Region of York or a local board thereof.

Approvals for Development

- 3.4 a) Development charges shall be imposed on all lands, buildings or structures that are developed for residential or non-residential uses if the development requires,
- i. The passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*;
 - ii. The approval of a minor variance under section 45 of the *Planning Act*;
 - iii. A conveyance of land to which a by-law passed under subsection 50(7) of the *Planning Act* applies;
 - iv. The approval of a plan of subdivision under section 51 of the *Planning Act* or any successor thereto;
 - v. A consent under section 53 of the *Planning Act*;
 - vi. The approval of a description under section 50 of the *Condominium Act*; or

- vii. The issuing of a permit under the *Building Code Act, 1992* in relation to a building or structure.
- b) No more than one development charge for each service designated in subsection 2.1 shall be imposed upon any lands, buildings or structures to which this by-law applies even though two or more of the actions described in subsection 3.4(a) are required before the lands, building or structures can be developed.
- c) Despite subsections 3.4(b), if two or more of the actions described in subsection 3.4(a) occur at different times, additional development charges shall be imposed if the subsequent action has the effect of increasing the need for services.

Exemptions

- 3.5.1 Notwithstanding the provisions of this by-law, but subject to subsection 3.5.2, development charges shall not be imposed or may be deferred, on terms and conditions, satisfactory to the Region, with respect to:
- a) the relocation of a heritage house;
 - b) a building or structure used for a community use owned by a nonprofit corporation;
 - c) land owned by and used for the purposes of a private school that is exempt from taxation under the *Assessment Act* or any successor thereto;
 - d) lands, buildings or structures used or to be used for the purposes of a cemetery or burial ground exempt from taxation under the *Assessment Act* or any successor thereto;
 - e) non-residential uses permitted pursuant to section 39 of the *Planning Act* or any successor thereto;
 - f) the issuance of a building permit not resulting in the creation of additional non-residential gross floor area;
 - g) agricultural uses;
 - h) development creating or adding an accessory use or structure not exceeding 100 square metres of gross floor area save and except for any live work units with a retail component; for such units development charges will be payable pursuant to subsection 3.10 on the retail component;
 - i) a public hospital receiving aid under the *Public Hospitals Act* or any successor thereto;

Amount of Charges**Residential**

- 3.6 The development charges described in Schedule B to this by-law shall be imposed on residential uses of lands, buildings or structures, including a dwelling unit accessory to a non-residential use and, in the case of a mixed use building or structure, on the residential uses in the mixed use building or structure, according to the type of residential unit, and calculated with respect to each of the services according to the type of residential use.

Non-Residential Uses

- 3.7 The development charges described in Schedule B to this by-law shall be imposed on non-residential uses of lands, buildings or structures, and, in the case of a mixed-use building or structure, on the non-residential uses in the mixed use building or structure, and calculated with respect to each of the services according to the gross floor area of the non-residential use.

Place of Worship

- 3.8 Despite subsection 3.7, development charges shall not be imposed in respect of the gross floor area of a place of worship to a maximum of 5,000 square feet (or 464.5 square metres) or in respect of that portion of the gross floor area of a place of worship which is used as an area for worship, whichever is greater.

Reduction of Development Charges Where Redevelopment

- 3.9 Despite any other provision of this by-law, where, as a result of the redevelopment of land, a building or structure existing on the same land within 60 months prior to the date of payment of development charges in regard to such redevelopment was, or is to be demolished, in whole or in part, or converted from one principal use to another principal use on the same land, in order to facilitate the redevelopment, the development charges otherwise payable with respect to such redevelopment shall be reduced by the following amounts:
- a) In the case of a residential building or structure, or in the case of a mixed-use building or structure, the residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charge under subsections 3.6 of this by-law by the number, according to type, of dwelling units that have been or will be demolished or converted to another principal use; and
 - b) In the case of a non-residential building or structure or, in the case of mixed-use building or structure, the non-residential

uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charges under subsection 3.7 of this by-law by the gross floor area that has been or will be demolished or converted to another principal use;

provided that such amounts shall not exceed, in total, the amount of the development charges otherwise payable with respect to the redevelopment.

Time of Payment of Development Charges

3.10 Development charges imposed under this section are payable upon issuance of a building permit with respect to each dwelling unit, building or structure for general government, library, fire, recreation facilities, outdoor recreation and yards and fleet services. Development charges for engineered services shall be payable upon registration of subdivision agreement.

3.11 Despite subsection 3.10, Council, from time to time, and at any time, may enter into agreements providing for all or any part of a development charge to be paid before or after it would otherwise be payable.

4.0 PAYMENT BY SERVICES

4.1 Despite the payments required under subsection 3.10, Council may, by agreement, give a credit towards a development charge in exchange for work that relates to a service for which a development charge is imposed under this by-law.

5.0 INDEXING

5.1 Development charges imposed pursuant to this by-law shall be adjusted annually, without amendment to this by-law, on July 1st, commencing in 2015 and each year thereafter, in accordance with the Statistics Canada Quarterly Construction Price Statistics.

6.0 SCHEDULES

6.1 The following schedules to this by-law form an integral part thereof:

Schedule A - Components of Services Designated in subsection 2.1

Schedule B - Residential and Non-Residential Development Charges

Schedule C - Land within Town of Newmarket to which this By-law does apply

7.0 DATE BY-LAW IN FORCE

7.1 This by-law shall come into force on the date of passage of the by-law.

8.0 DATE BY-LAW EXPIRES

8.1 This by-law will expire five years from the date of passage, unless it is repealed at an earlier date.

THAT By-law 2009-72 hereby repealed:

ENACTED THIS XX DAY OF JULY, 2014.

Tony Van Bynen Mayor

Town Clerk

Schedule "A"
The Town of Newmarket
Northwest Quadrant Development Charge Services

- 1.0 General Government
- 2.0 Library
- 3.0 Fire Services
- 4.0 Recreation
- 5.0 Outdoor Recreation
- 6.0 Yards & Fleet
- 7.0 Parking
- 8.0 Engineered Services

Schedule "B"
The Town of Newmarket
Development Charge Summary

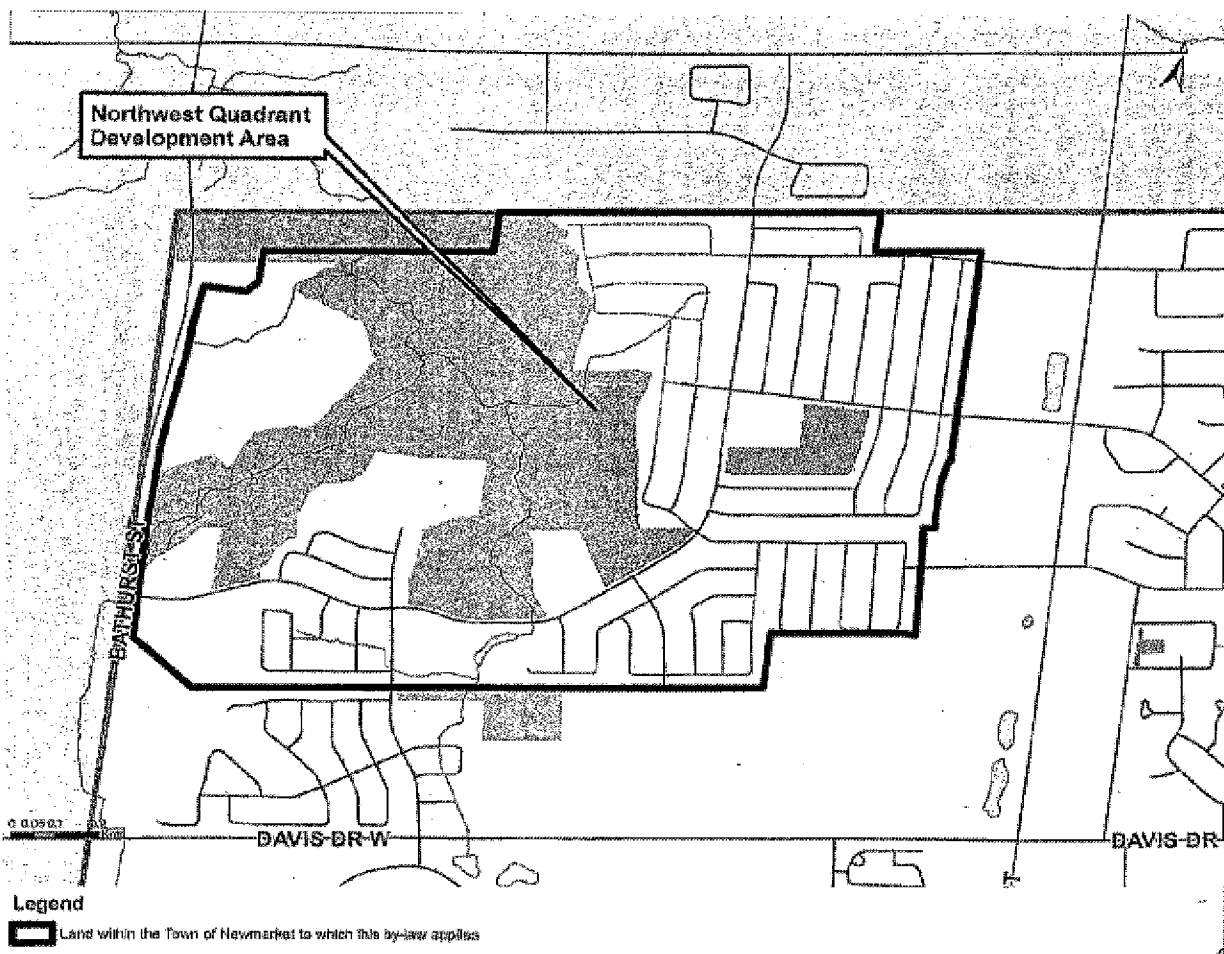
RESIDENTIAL CHARGES

Service	Residential Charge By Unit Type			
	Singles & Semis	Rows & Other Multiples	Apartments	
			650 sq. ft. or Greater	Under 650 sq. ft.
General Government	\$401	\$318	\$249	\$213
Library	\$837	\$664	\$518	\$444
Fire Services	\$584	\$463	\$362	\$310
Recreation Facilities	\$6,683	\$5,301	\$4,138	\$3,546
Outdoor Recreation	\$4,166	\$3,305	\$2,580	\$2,211
Yards & Fleet	\$1,092	\$866	\$676	\$580
Municipal Parking	\$340	\$270	\$211	\$180
Subtotal General Services	\$14,103	\$11,187	\$8,734	\$7,484
Engineered Services	\$6,742	\$5,348	\$4,175	\$3,577
TOTAL CHARGE PER UNIT	\$20,845	\$16,535	\$12,909	\$11,061

NON-RESIDENTIAL CHARGES

Service	Charge per Square Metre
General Government	\$2.51
Library	\$0.00
Fire Services	\$3.65
Recreation Facilities	\$0.00
Outdoor Recreation	\$0.00
Yards & Fleet	\$6.83
Municipal Parking	\$2.13
Subtotal General Services	\$15.12
Engineered Services	\$42.25
TOTAL CHARGE PER SQUARE METRE	\$57.37

Schedule "C"
Land within Town of Newmarket to which this By-law applies



Appendix 'B'

Correspondence received from:

- Chris Barnett, Davis LLP on behalf of 724903 Ontario Inc, fax dated June 19, 2014
- Chris Bobyk, Forrest Group, email dated June 12, 2014
- Daniel Berholz, Green & Rose, email dated June 12, 2014
- Kevin Gray, Oxford Properties Group, email dated June 10, 2014

DAVIS LLP

LEGAL ADVISORS SINCE 1892

FROM THE OFFICE OF Chris Barnett
 DIRECT LINE 416.365.3502
 DIRECT FAX 416.777.7407
 E-MAIL cbarnett@davis.ca

FILE NUMBER 46233-00004

June 19, 2014

DELIVERED BY EMAIL

Mayor and Members of Council
 Town of Newmarket
 395 Mulock Drive
 P O Box 328
 Station Main
 Newmarket, ON L3Y 4X7

Re: Town of Newmarket - Development Charges By-law 2014

We act on behalf of 724903 Ontario Inc., the owners of land that contains registered plans of subdivision 65M-3963, 65M-4170, 65M-4269, 65M-4284, 65M-4378 and 65M-4379, in the community known as Copper Hills, and often referred to as the Goldstein subdivision. With the registration of the final 2 phases in December 2012, all of the draft approved plans have now been registered. In total, the Copper Hills community contains 643 lots.

Since the construction of the community began, our clients have sold 419 lots, and have 224 lots that remain unsold and on the market.

During the course of development, our client has to date paid \$6,032,000 in development charges to the Town, as well as 17,536,000 in development charges to the Region. Based on the current development charges by-law of the Town, the amount of outstanding developments charges is \$3,304,000.

Our client has entered into subdivision agreements with the Town for all of its phases, and have posted the necessary securities as required, and is in good standing under those agreements.

As is normally the case, our client has paid development charges at the issuance of building permits for the lots it has sold. For the remaining lots, our client is requesting it be permitted to pre-pay the development charges at the existing rate for the remainder of the lots on its registered plans. This would be consistent with the approach taken by the Region of York when it applied the previous development charge rate to plans that were registered as of a given date. Having registered its plans and posted the required securities, our client would like to be able to pay the rate that was in place when it registered its plans, which will maintain the financial conditions it had expected at that time.

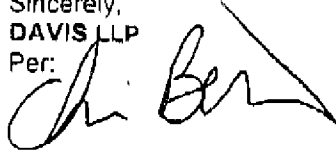
We would be pleased to discuss this with the appropriate staff if that would be of assistance.

DAVIS LLP

Page 2 of 2

Please provide us with notice of adoption of the development charges by-law when it is passed by Council.

Sincerely,
DAVIS LLP
Per:

A handwritten signature in black ink, appearing to read "Chris Barnett", written over the word "Per:".

Chris Barnett
CMB

cc: Richard Aubry

DAVIS LLP

LEGAL ADVISORS SINCE 1892

FAX

CORPORATE SERVICES		
INCOMING MAIL	REFD TO	COPY TO
JUN 19 2014		

Suite 6000, 1 First Canadian Place
PO Box 387, 100 King St W
Toronto ON M5X 1E2

DATE: June 19, 2014 FILE NO.: 46233-00004

TO: Andrew Brouwer
Town of Newmarket

FAX NO.: 905.953.5100

TEL NO.:

FROM: Chris Barnett E-MAIL: cbarnett@davis.ca

DIRECT LINE: 416.365.3502 PAGES SENT: 3

DIRECT FAX: 416.777.7407
If you do not receive all pages, phone 416.365.3502

MESSAGE

Please see the attached correspondence.

Original of this facsimile forwarded by mail Yes: No:

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Moore, Anita

Subject: FW: more DC comments

From: Chris Bobyk [mailto:chris.bobyk@bobfor.com]
Sent: June-12-14 5:24 PM
To: Mayes, Mike
Cc: Bob Forrest; Irina Tsing; Colleen Forrest; Neil Bacon
Subject: Newmarket (Proposed Development Charges by-Law)

Mike hope you are well and thank you for hosting the stakeholders meeting on this item June 4th which I was able to attend and provide comments.

As requested in that meeting it was advised that written comments in follow up to comments made in that meeting should be provided to you by today. I understand these comments will be considered by staff and provided to Council for their consideration prior to finalization of the by-law and prior to the scheduled public meeting on the subject June 23rd with planned by-law enactment by Council scheduled for July 21st, 2014.

Prior to finalization of the by-law please take the following comments and suggestions into consideration. While these comments are similar to what you heard from the greater development community stakeholders at the meeting, my hope is that the consistency in the comments from the community involved in land development will create some pause for some reconsideration to ensure the Town's Development Charge capital funding requirements can be realized. Please consider the following:

1. Request for phase in Program:

Hemson Consulting LTD has provided a thorough report to the Town, consistent with common practice and methodology in arriving at forecast growth and in turn the Town capital funding requirements over the period under consideration. It, however, does not factor in the resultant potential impact on land development activity that the growth forecast is partially based on. This is where consultation with the developer community comes in. Not unlike economic impacts from property realty taxes, any individual, industry, or in this case land developer has a tolerance to absorb cost. In the case of a land developer like the sale of any item the market driven selling price will dictate the cost tolerance that can be absorbed while maintain some profit. What you heard at the meeting was selling prices of dwelling units in Newmarket cannot fetch the same market price as in the more southern municipalities that Development charge comparisons were made in the Hemson report. More so the comment was made on the importance of phasing in the development charge increase proposed so as to minimize the magnitude of the cost increase over time. It is important to reduce the cost shock similar to what other municipalities have done. The increase proposed both residential and non residential are substantial and warrant a phased in implementation. Close consideration of this impact is also important to the Town with new development providing future property tax revenues required for the Town's capital plan.

2. Growth Forecast Methodology :

The growth forecast is based on the occurrence of land development in all sectors that in turn result in the population and employment growth forecasts that determine the capital funding requirements among other existing funding needs. The following should be considered as impacts to the growth forecast:

- (i) Once again on the cost side developers often need to fund off site Town servicing infrastructure, either deficient or antiquated to accommodate new development or redevelopment. This cost on top of the proposed new development charges will substantially inflate costs, thus further impacting new development feasibility and growth forecasts. The Development Charge By-Law 4.1 indicates Council may grant a credit towards the development charges imposed in exchange for works related to a service

addressed by an imposed development charge. In most cases in Newmarket the issue is sanitary sewer conveyance an engineering related service. The By-Law section 4.1 should provide a greater assurance that a full development charge credit would be applicable for any service upgrades. This is especially important in the situation of infill sites or redevelopment.

- (ii) The Town has no development charge incentives to encourage new development that provides for increased density, either within the community as a whole, or in targeted areas, other than for redevelopment involving demolition of a building. Other Municipalities have used this approach to help offset cost and encourage high rise development in planned for areas (Secondary Plan) to meet growth objectives by providing credits based on dwelling unit density to be built. Again such incentives help to contribute to the costs incurred in the provision of high rise development and encourage its development.
- (iii) The Town has no development charge incentives to encourage new rental buildings, a needed form of accommodation within the community. Such incentive again would help to offset some cost and encourage this form of new development within the community.

3. Gross Floor Area Exclusions:

The current Development Charge By-law for Non – Residential uses allows for the exclusion of mechanical areas and loading spaces from the calculation of Gross Floor Area in addition to parking areas. The proposed by-law only allows exclusion of parking areas. The proposed by-law should give the same consideration on exclusions as the current since mechanical areas and loading are commonly addressed similar to parking areas.

These are my initial comments for consideration prior to the public meeting June 23rd.
Thank you for your consideration.

Chris Bobyk, Director of Development

The Forrest Group . 590 Alden Road, Suite 211 . Markham, ON L3R 8N2

Tel: 416 573 1776 . Fax 905 752 6781 www.ForrestGroup.ca

Land Development . Project Management . Planning . Design

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June 12, 2014

Financial Services
Town of Newmarket
395 Mulock Drive
P.O. Box 328, STN Main
Newmarket, ON L3Y 4X7

Attn: Mike Mayes, Director

RE: Town of Newmarket – 2014 Development Charges Background Study
Initial comments from Green & Rose Developments Inc., 212 Davis Drive, Newmarket

Dear Mike,

Green & Rose Developments Inc. is the owner of 212 Davis Drive. This letter provides initial comments on the 2014 Development Charge Background Study (the “2014 DC Study”) that was presented by the Town at the June 4, 2014 stakeholder meeting. The 2014 DC Study and proposed development charge by-law will be considered at a public meeting to be held on June 23, 2014.

Given the short period available between the June 4, 2014 stakeholder meeting and the requested date for comments, June 12, 2014, we have been unable to arrange for a technical review of the 2014 DC Study.

Green & Rose Developments Inc. proposes to construct a high-density project on its land that will provide much-needed rental residential housing in the Town. If the Town adopts a development charge by-law in accordance with the 2014 DC Study, the Town will preclude the delivery of new rental housing in a high-density form as the proposed development charge increases are prohibitively expensive.

The development industry represents a significant sector of the economy of Newmarket. The development industry, and ultimately the new homebuyer or renter, should not provide the primary financial means to address fiscal shortfalls. It is a disproportionate and unfair burden. Development creates jobs and other spin-off benefits that help attract new residents to the area and providing Newmarket with an educated and skilled work force. This proposed development charge increase is a tax on the affordability for these new residents along with residents looking to “move down” from their current homes into new forms of high-density housing.

Funding infrastructure to support provincial growth targets must not unduly prejudice the very projects that will allow the Town to meet those targets. Based on our initial review of the 2014 DC Study, it appears that there has been a cross-subsidization of development. Projects such as the one we propose for 212 Davis Drive are more cost-effective in their use of infrastructure yet the distribution of costs does not reflect this efficiency. As currently structured, the development charge that would be applicable to our property is too high, both in absolute terms and in comparison to other areas within the Town that are planned for less intensive development or other purposes. In addition, the allocation of costs that will benefit existing development are too low. Further, the aggressive timetable for the proposed capital program reflected in the 2014 DC Study requires the collection of funds that may not be required until after the current development charge cycle.

The 2014 DC Study does not balance these costs and, instead, would result in massive development charge increases that would, once again, price Newmarket out of the rental housing market. If adopted in accordance

with the 2014 DC Study, the development charge by-law would not conform with the Growth Plan, the Provincial Policy Statement or the Town or Region Official Plans, all of which promote and encourage intensification of development.

Market prices for homes and rental apartments in Newmarket are substantially lower than comparable product in the southern York Region municipalities, yet council is considering implementing costs (DCs) that would be in excess of those charged in these areas. The resultant cost to end buyers and renters would result in even less affordable housing or, more likely, some development would not proceed at all in the area.

The increases for "Apartments" are as high as 163% for large one-bedroom units and 125% for typical one-bedroom units. The increase for typical two bedroom units is 61%. These are **massive** increases.

# Rooms	One Bedroom	One Bedroom	Two Bedroom	Two Bedroom
Size	Less than 650 sf	Greater than 650 sf	Less than 650 sf	Greater than 650 sf
2013	\$5,091	\$5,091	\$8,314	\$8,314
2014	\$11,465	\$13,381	\$11,465	\$13,381
Increase	\$6,374	\$8,290	\$3,151	\$5,067
% Increase	125%	163%	38%	61%

As is clear from the above figures, the financial burden on smaller units is particularly pronounced and the charge proposed for larger units is also excessive. From a rental development perspective, we can confirm that these increases on a per unit basis, if applicable to our rental development, would very likely negate our ability to proceed with the 212 Davis Drive project as a purpose-built rental project. The cost and inability to finance purpose-built rental development has effectively eliminated all rental development over the past three decades in York Region, particularly Newmarket. These increases would just exacerbate the problem.

The 2014 DC Study also does not address the need for transitional provisions that properly address the circumstances of projects such as 212 Davis Drive that are in the process of obtaining development approvals.

We respectfully request that Council defer its consideration of the 2014 DC Study in order to allow Council time to properly assess the need for all of the projects that are proposed during the period of the proposed development charge by-law, as well as a reconsideration of the distribution of project costs among existing development and new development in order to address the disproportionate burden that would be placed on high density residential projects such as 212 Davis Drive.

Additionally, we request that Council specifically consider creating a distinct "purpose-built rental apartment" category under the by-law, which provides specific incentives to develop rental product (*i.e.*, waivers, grants; grandfathering of existing rates, *etc.*) rather than, as it is currently drafted, providing a further impediment to rental development.

Please provide us with notice of any future public meeting regarding the 2014 DC Study and the proposed development charge by-law. As noted above, we will provide any additional comments that may arise after we have had a more realistic time period to review the 2014 DC Study with our professional advisors.

We would appreciate receiving written confirmation of receipt of this letter.

Should you have any questions, please contact the undersigned.



Yours truly,
GREEN & ROSE DEVELOPMENTS INC.

A handwritten signature in black ink, appearing to read 'Daniel Berholz', is positioned below the typed name.

Daniel Berholz

cc: Bob Shelton
Robert Prentice
Brad Rogers – Groundswell

Moore, Anita

Subject: FW: Development Charges - Town of Newmarket

From: Kevin Gray [<mailto:KGray@oxfordproperties.com>]
Sent: June-10-14 4:51 PM
To: Mayes, Mike
Cc: Stephen Roy; Thien Nguyen; John Giddings
Subject: RE: Development Charges - Town of Newmarket

Hi Mike,

It was a pleasure meeting you last week with the other Stakeholders of Newmarket. As per the comments of the group we would support a phase-in plan regarding the new Development Charges that are schedule to take effect August 31, 2014.

Thank you.

Kevin Gray, Director, Retail
Oxford Properties Group

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Toronto, Ontario M5J 2J2
Direct: 416.865.5362
kgray@oxfordproperties.com

Appendix 'C'

Preferred implementation option

Charge Type	Current Rate	Transition Rate	Phase-in Rate	Full Rate
	Effective to August 31, 2014	Building Permit application must be complete and submitted on or before January 16, 2015 and building permit issued on or before March 31, 2015	n/a	Effective September 1, 2014 (subject to transition clause) to August 31, 2019 (if not repealed earlier)
Singles	\$14,974	\$15,637	n/a	\$21,607
Semis	\$11,877	\$12,850	n/a	\$21,607
Rows and Other Multiples	\$10,817	\$11,449	n/a	\$17,139
Non-Residential	\$19.70	\$23.69	n/a	\$59.56
Notes	Maintain current rates until by-law expiration	10% of Rate Increase (difference between current and new rates)	n/a	2014 DC Study Rates
Charge Type	Current Rate	Transition Rate	Phase-in Rate	Full Rate
	Effective to August 31, 2014	Building Permit application must be complete and submitted on or before January 16, 2015 and building permit issued on or before March 31, 2015	Effective September 1, 2014 (subject to transition clause) to December 31, 2015	Effective January 1, 2016 to August 31, 2019 (if not repealed earlier)
Large Apartments	\$8,314	\$8,821	\$10,848	\$13,381
Small Apartments	\$5,091	\$5,728	\$8,278	\$11,465
Notes	Maintain current rates until by-law expiration	10% of Rate Increase (difference between current and new rates)	40% of Rate Increase (difference between current and new rates)	2014 DC Study Rates

Notes: 1) DC Deferral Agreements are subject to current rate + indexing up to the agreement's expiry date after which time, new rates apply;

2) Transition Rates/Phase-in Rates/Full Rates noted above are subject to indexing