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August 20, 2014

**CORPORATE SERVICES (LEGAL SERVICES)
REPORT 2014-22**

TO: Committee of the Whole

SUBJECT: Tools to Support Rental Housing (Pilot Project) – Town of Newmarket Terms and Conditions

ORIGIN: Director, Legal Services/Municipal Solicitor

RECOMMENDATIONS:

THAT Corporate Services (Legal Services) Report 2014-22 dated August 20, 2014 regarding the tools, terms and conditions related to a Pilot Project for a proposed rental housing development at 212 Davis Drive be received and the following recommendations be adopted:

- a) THAT staff be directed to finalize the Development Charges Deferral Agreement for the Pilot rental housing Project at 212 Davis Drive on the basis that the applicable Town of Newmarket Development Charges fees to be deferred are those in effect as at August 25, 2014 (including applicable indexing) under By-law 2009-73 and set out in Schedule "A."**
- b) AND THAT the deferral of the Development Charges for the Pilot Project is conditional on the issuance of a building permit within 18 months from the date of Site Plan approval of the development application.**
- c) AND THAT Staff be authorized to do all things necessary to finalize the Development Charges Deferral Agreement together with any related mortgage, collateral security or other required agreements and documents with Malter Holdings Ltd. and its affiliated entities.**
- d) AND THAT Staff be authorized to execute and electronically register all agreements and documents necessary to give effect to the foregoing and that the Associate Solicitor or her staff be authorized to electronically sign and register all Agreements.**
- e) AND THAT all other tools, terms and conditions of the Pilot Project previously approved by Council are conditional on issuance of a building permit within 18 months of the date of Site Plan approval of the development application.**

- f) **AND THAT the applicable Planning Application fees to be deferred are those fees in effect on the date the Planning Application was submitted.**
- g) **AND THAT the applicable Building Permit fees to be deferred are those fees in effect on the date the Building permit(s) is/are issued.**

COMMENTS

Green and Rose Developments Inc. has submitted an application for a Zoning By-law amendment to permit a 45.11m (15) storey rental apartment building containing 225 units. Detailed information about the proposal is contained in Development and Infrastructure Services/Planning & Building Services – Planning Report 2014-32 dated July 21, 2014.

In October 2013, Council approved tools, terms and conditions of a pilot project for the proposed rental housing development at 212 Davis Drive ("Pilot Project"). Those tools, terms and conditions are set out in Infrastructure Services/Planning & Building Services Report 2013-54 dated October 28, 2013.

Regional Council also approved tools, terms and conditions for the Pilot Project through Regional Corporate and Strategic Planning Report – Private Market Rental Development Charges Deferral Site Specific Pilot Project in the Town of Newmarket dated November 14, 2013.

Town and Regional Staff have been working collaboratively to process the Pilot Project application, and to develop the various Agreements including the Development Charges Deferral Agreement to support the Pilot Project. The Statutory Public Meeting in connection with the Pilot Project development application is scheduled for Monday, August 25 at 7:00 pm.

In July 2014, Town Council adopted a new Development Charges By-law 2014-42. It was the developer's expectation to have the Development Charges Deferral Agreement and all related agreements finalized prior to the Town's new Development Charges coming into effect on September 1, 2014. The Development Charges Deferral Agreement is a tri-party Agreement with the Region, Town and Developer. It is a complex agreement that has required input from many Region and Town departments. Although the parties are working collaboratively and in good faith, the Agreement will likely not be finalized by September 1, 2014. As a result, staff are seeking direction from Council to finalize the Development Charges Deferral Agreement on the basis that the applicable Town of Newmarket Development Charges to be deferred are those in effect as of August 25, 2014 (attached on Schedule "A"). The new residential Development Charges in effect as at September 1, 2014 are set out in Schedule "B."

The Regional rates are not affected (subject to applicable indexing), as the Region's new DC by-law came into effect in June, 2012 (Regional By-law 2012-36).

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

The recommendations support the *well-equipped* and *managed* objectives of the Town's strategic plan by supporting varied housing options, affordability and densities.

CONSULTATION

The Planning and Finance departments were consulted.

HUMAN RESOURCE CONSIDERATIONS

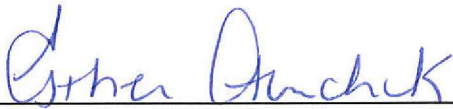
There are no Human Resource requirements as a result of the recommendation in this report.

BUDGET IMPACT

The Town will receive Development Charges, Planning Application, Building fees and cash-in-lieu of parkland payments within 36 months of the issuance of Building Permits. These fees will be secured through a mortgage in favour of the Town, registered against the lands. As well, the Town will receive additional assessment revenue once the Pilot Project is complete.

CONTACT

For more information on this report, contact: Esther Armchuk, Director of Legal Services/Municipal Solicitor at 905-953-5300, Ext. 2432.



Esther Armchuk, B.A. (Hons.), LL.B, DPA
Director of Legal Services/Municipal Solicitor



Anita Moore,
Commissioner of Corporate Services

Schedule "A"
Development Charges as indexed under
By-law 2009-73

Town of Newmarket
Residential Development Charges (Town-Wide)
As of July 01, 2014

Note: There are separate Newmarket rates for the NorthWest Quadrant
This is not a quote

TOWN OF NEWMARKET SERVICE

	Single	Semi-Detached	Multiple Unit Dwelling	Two bedrooms and greater	Apartments Bachelor and One Bedroom
GENERAL GOVERNMENT					
LIBRARY	332.58	263.97	240.72	184.90	112.80
FIRE SERVICES	1,284.97	1,018.66	927.96	712.84	437.24
RECREATION	423.28	334.90	305.84	234.90	144.19
PARKS	5,831.75	4,627.02	4,213.05	3,238.57	1,982.68
YARDS & FLEET	5,106.12	4,050.25	3,688.59	2,835.05	1,736.15
PARKING	455.84	361.65	329.09	253.50	154.67
SUB-TOTAL GENERAL SERVICES	373.28	296.53	269.78	206.99	126.76
SUB-TOTAL ENGINEERED SERVICES	13,807.82	10,953.00	9,975.03	7,666.75	4,694.49
	1,166.35	924.48	841.91	647.72	396.54
TOTAL TOWN-WIDE CHARGE PER UNIT	14,974.17	11,877.48	10,816.94	8,314.47	5,091.03

Regional Municipality of York

General services
Hard services
- collected by Town with issuance of building permits

	greater than or equal to 650 sq.ft.		less than 650 sq.ft.	
\$	3,335	\$	2,821	\$
\$	37,720	\$	33,096	\$
\$	41,055	\$	35,917	\$

York Region & Catholic District School Board

Education development charge
- collected by Town with issuance of building permits

\$	4,340	\$	4,340	\$	4,340
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Security Reduction Review

5% of the value of security required to the maximum of \$50,000.

Engineering administration, design review & field monitoring

Site Plan Agreements handled fully in-house
Agreements requiring Town's engineering consultant

\$	3,335	\$	3,335	\$	2,821
\$	37,720	\$	37,720	\$	33,096
\$	41,055	\$	41,055	\$	35,917

Building permit

charge is based on the current Building & Bylaws User Fees and Charges Schedule

Plumbing inspection

charge is based upon number and type of fixtures, appliances, drains, traps, etc.

Security required

cost of all works and services required + 10% for engineering and contingencies

Insurance required

Commercial - \$10 million for subdivisions, \$5 million for site plan agreements
Automotive - \$5 million for subdivisions, \$2 million for site plan agreements
Professional - \$2 million for subdivisions
Environmental - \$2 million for subdivisions, \$1 million for site plan agreements

Other costs may include (but are not limited to): signs, anti-tampering devices, sidewalks, legal fees, provision for parkland, playground equipment, storm water management, voluntary trail system contribution, bluebox/green bin fees, agreement preparation.

Schedule "B"

Residential Development Charges under By-law 2014-42

Town of Newmarket Residential Development Charges (Town-Wide) As of September 01, 2014

Note: There are separate Newmarket rates for the NorthWest Quadrant
This is not a quote

****FULL RATE****

TOWN OF NEWMARKET SERVICE
GENERAL GOVERNMENT
LIBRARY
FIRE SERVICES
RECREATION
OUTDOOR RECREATION
YARDS & FLEET
PARKING
SUB-TOTAL GENERAL SERVICES
SUB-TOTAL ENGINEERED SERVICES
TOTAL TOWN-WIDE CHARGE PER UNIT

Single	Semi-Detached	Multiple Unit Dwelling	Apartments	
			under 650 sq.ft.	650 sq.ft. or greater
399.12	399.12	316.60	200.62	247.14
838.15	838.15	664.86	421.30	518.99
578.72	578.72	459.07	290.90	358.35
6,106.55	6,106.55	4,843.98	3,069.49	3,781.25
4,569.92	4,569.92	3,625.07	2,297.10	2,829.75
1,077.62	1,077.62	854.82	541.67	667.28
339.25	339.25	269.11	170.53	210.07
13,909.33	13,909.33	11,033.51	6,991.61	8,612.83
6,046.67	6,046.67	4,796.49	3,039.39	3,744.17
19,956.00	19,956.00	15,830.00	10,031.00	12,357.00

****PHASE IN RATE****

Conditions:

Relevant time frame:

TOWN OF NEWMARKET SERVICE
GENERAL GOVERNMENT
LIBRARY
FIRE SERVICES
RECREATION
OUTDOOR RECREATION
YARDS & FLEET
PARKING
SUB-TOTAL GENERAL SERVICES
SUB-TOTAL ENGINEERED SERVICES
TOTAL TOWN-WIDE CHARGE PER UNIT

Applies to Apartments only
Building permit issuance must take place from Sept. 01, 2014 to December 31, 2015
September 01, 2014 to December 31, 2015

Single	Semi-Detached	Multiple Unit Dwelling	Apartments	
			under 650 sq.ft.	650 sq.ft. or greater
N/A	N/A	N/A	151.22	206.72
N/A	N/A	N/A	317.56	434.11
N/A	N/A	N/A	219.27	299.74
N/A	N/A	N/A	2,313.67	3,162.83
N/A	N/A	N/A	1,731.47	2,366.94
N/A	N/A	N/A	408.29	558.14
N/A	N/A	N/A	128.54	175.71
-	-	-	5,270.02	7,204.19
N/A	N/A	N/A	2,290.98	3,131.81
N/A	N/A	N/A	7,561.00	10,336.00

****TRANSITION RATE****

Conditions:

Relevant time frame:

TOWN OF NEWMARKET SERVICE
GENERAL GOVERNMENT
LIBRARY
FIRE SERVICES
RECREATION
OUTDOOR RECREATION
YARDS & FLEET
PARKING
SUB-TOTAL GENERAL SERVICES
SUB-TOTAL ENGINEERED SERVICES
TOTAL TOWN-WIDE CHARGE PER UNIT

Subdivision Agreement must be registered on or before January 16, 2015
and Building permit application must be submitted on or before March 16, 2015
and Building permit issuance must take place on or before May 29, 2015
September 01, 2014 to May 29, 2015

Single	Semi-Detached	Multiple Unit Dwelling	Apartments	
			under 650 sq.ft.	650 sq.ft. or greater
340.38	279.07	249.00	122.87	191.82
1,237.76	1,014.80	905.44	446.80	697.52
433.22	355.18	316.90	156.38	244.13
5,863.89	4,807.61	4,289.52	2,116.71	3,304.50
5,059.34	4,148.00	3,700.99	1,826.30	2,851.11
526.05	431.29	384.81	189.89	296.45
371.33	304.44	271.63	134.04	209.26
13,831.97	11,340.39	10,118.29	4,992.99	7,794.79
1,640.03	1,344.61	1,199.71	592.01	924.21
15,472.00	12,685.00	11,318.00	5,585.00	8,719.00

Regional Municipality of York

General services

Hard services

- collected by Town with issuance of building permits

					less than 650 sq.ft	greater than or equal to 650 sq.ft.			
\$	3,335	\$	3,335	\$	2,821	\$	1,399	\$	2,007
\$	37,720	\$	37,720	\$	33,096	\$	15,865	\$	23,429
\$	41,055	\$	41,055	\$	35,917	\$	17,264	\$	25,436

York Region & Catholic District School Board

Education development charge

- collected by Town with issuance of building permits

\$	4,340	\$	4,340	\$	4,340	\$	4,340	\$	4,340
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Security Reduction Review

5% of the value of security required to the maximum of \$60,000.

Engineering administration, design review & field monitoring

Site Plan Agreements handled fully in-house

Agreements requiring Town's engineering consultant

6% of estimated cost of works and services
3% admin.+ 2.75% for checking consultant, of estimated cost of works and services

Building permit

charge is based on the current Building & Bylaws User Fees and Charges Schedule

Plumbing inspection

charge is based upon number and type of fixtures, appliances, drains, traps, etc.

Security required

cost of all works and services required + 10% for engineering and contingencies

Insurance required

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Automotive - \$5 million for subdivisions, \$2 million for site plan agreements
Professional - \$2 million for subdivisions
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Other costs may include (but are not limited to): signs, anti-tampering devices, sidewalks, legal fees, provision for parkland, playground equipment, storm water management, voluntary trail system contribution, bluebox/green bin fees, agreement preparation.