



## **Staff Report for Council Meeting**

**Date of Meeting:** March 27, 2024

**Report Number:** SRCFS.24.008

**Department:** Corporate and Financial Services

**Division:** Financial Services

**Subject:** 2024 Development Charges Update - Council Adoption

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### **Purpose:**

To provide an update to Council on the process and steps taken related to the 2024 Development Charges (“DC”) update since the February 13<sup>th</sup>, 2024 Special Council Meeting.

### **Recommendation(s):**

- a) That Council receive staff report SRCFS.24.008;
- b) That draft By-laws 6-24, 7-24, 8-24, 9-24, and 10-24 for City-wide Development Charges be adopted;
- c) That draft By-laws 11-24, and 12-24 for Area Specific Development Charges be adopted;
- d) That the revised Development Charges Interest Policy be adopted (see Appendix “C”);
- e) That the City-wide Development Charges Deferral Policy for the Large Office Buildings in the Richmond Hill Centre – Pilot Program be adopted (see Appendix “D”);
- f) That the City-wide Development Charges Deferral for Office Buildings Policy be adopted (see Appendix “E”);
- g) That the City-wide Development Charges Deferral for Charitable Non-Profit Organizations Policy be adopted (see Appendix “F”); and
- h) That the following Area Specific Development Charges By-law be repealed:
  - By-law 41-19 Oak Ridges-Lake Wilcox Greenfield Development Area;
  - By-law 42-19 North Leslie West Development Area;

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- By-law 43-19 North Leslie East Development Area;
  - By-law 44-19 West Gormley Development Area;
  - By-law 45-19 Elgin West Development Area;
  - By-law 46-19 Headford Storm North of Rouge Development Area.
- i) That Tariff of Fees By-law 94-23 be amended by deleting and replacing Schedule H – Legal Services with the recommended fee as outlined in Appendix “G” to staff report SRCFS.24.008.
- j) That Tariff of Fees By-law 94-23 be amended by deleting and replacing Schedule F – Financial Services with the recommended fee as outlined in Appendix “H” to staff report SRCFS.24.008.

### Contact Person:

Ilan Treiger, Financial Management Advisor, Long Range Financial Planning & Policy, Extension 2415

Lisa Chen, Manager, Fiscal Planning and Strategy, Corporate and Financial Services, Extension 6311

### Report Approval:

**Submitted by:** Sherry Adams, Commissioner of Corporate and Financial Services

**Approved by:** Darlene Joslin, City Manager

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner, and City Manager. Details of the reports approval are attached.

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### Background:

In accordance with the Development Charges Act (the “Act”), before passing new DC by-laws Richmond Hill held a Special Council meeting, open to the public, on February 13<sup>th</sup>, 2024. Staff provided an overview and update on the DC update process, as well as the draft Development Charges by-laws, the supporting Development Charges Background Studies, and associated DC policies for comments. Please refer to staff report SRCFS.24.003.

Furthermore, in accordance with the DC regulations staff provided at least 20-days public notice of the meeting, and the proposed DC by-laws and the background studies were made available to the public at least two weeks prior to the Special Council meeting.

### Correspondence with the Public:

At the February 13<sup>th</sup>, 2024 Special Council meeting, there were no public delegations in person or virtual, to provide feedback on materials presented.

Richmond Hill received in total two formal correspondence from the development community including:

On January 24<sup>th</sup>, 2024, the City Clerk received correspondence from Randy M. Grimes Enterprises Ltd on behalf of DG Group. Staff reviewed in detail Mr. Grimes’s concerns outlined in his letter, and on February 7<sup>th</sup>, 2024 Staff provided a formal response addressing his concerns. Both the City’s and Mr. Grimes’s correspondence were included in the agenda to the February 13<sup>th</sup>, 2024 Special Council Meeting (Items [5.2](#) and [5.3](#)).

On February 8<sup>th</sup>, 2024, the City Clerk received correspondence from The Building Industry and Land Development Association (“BILD”), Item 5.5 in the Agenda to the February 13<sup>th</sup>, 2024 Special Council Meeting. BILD has engaged Mr. Daryl Keleher of KPEC Planning + Economics, to review the DC Background Studies. Staff reviewed in detail the questions posed by Mr. Keleher, and with assistance of the City’s consultants, the City has provided a formal response to BILD on March 8<sup>th</sup>, 2024. Refer to Appendix B for the City’s formal response.

### Addendum to the City-wide Development Charges Background Study:

Subsequent to the publication of the first draft of the 2024 City-wide Development Charges Background Study, dated December 22, 2023, staff and the consultant team have identified some areas that required refinements. Therefore, Watson & Associates prepared an addendum to the draft 2024 DC Background Study. This addendum report is to revise the capital cost deductions and reserve fund adjustments related to Parks and Recreation and Engineering Services. As a result of these revisions, a recalculation of the D.C. rates has been undertaken. Refer to Appendix A for the addendum to the 2024 City-wide Development Charges Background Study.

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### Development Charges Deferral Agreements - Fees

As part of the 2024 Development Charges update, staff proposed three Development Charges Deferral policies, including:

- Large Office Buildings in the Richmond Hill Centre – Pilot Program;
- City-wide Development Charges Deferral for Office Buildings;
- City-wide Development Charges Deferral for Charitable Non-Profit Organizations Policy.

In accordance with the deferral policies above, fees for each deferral request will be charged to the applicant to account for departmental costs relating to the review, preparation, execution, registration, and administration of the Development Charges Deferral Agreement; The following is the recommended fee structure:

- A non-refundable application fee shall be required to review a development charges deferral request of \$1,200 plus HST; and,
  - Shall be payable on submission date of the application for the development charges deferral;
- Finance and Legal fees equivalent to 1.0% of the value of the deferral request, for up to a maximum of \$10,000; and
  - Shall be payable upon execution of the deferral agreement.
- In instances where costs incurred by the City to prepare, execute, register and administer a deferral agreement exceeds the fee structure set out above, such fees shall be separately quantified and invoiced to the applicant;
- The applicant agrees to pay all costs, and expenses in connection with legal costs incurred by the City in the event that it takes any legal action in response to any event of default, or as it may otherwise take to enforce the City's rights under this Agreement.

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### Financial/Staffing/Other Implications:

Further to the addendum as noted on page 3, the following is the amended schedule of the City-wide Development Charges rates by type of development and City-wide services/class of services:

City-Wide Services / Class of Services	Residential					Non-Residential			
	Single and Semi-Detached Dwelling	Multiples	Apartments - Large (>= 700 sq.ft.)	Apartments - Small (<700 sq.ft.)	Special Care / Special Dwelling Units	Retail (per sq. m. of GFA)	Non-Retail (per sq.m. of GFA)	Retail (per sq.ft. of GFA)	Non-Retail (per sq.ft. of GFA)
<b>Engineering Services</b>	\$15,790	\$13,128	\$9,972	\$7,079	\$4,988	\$105.49	\$87.30	\$9.80	\$8.11
<b>Public Works (Facilities and Fleet)</b>	\$1,849	\$1,537	\$1,168	\$829	\$584	\$12.92	\$9.80	\$1.20	\$0.91
<b>Fire Protection Services</b>	\$1,297	\$1,078	\$819	\$581	\$410	\$8.61	\$7.21	\$0.80	\$0.67
<b>Parks and Recreation Services</b>	\$22,738	\$18,905	\$14,360	\$10,194	\$7,183	\$43.70	\$33.05	\$4.06	\$3.07
<b>Library Services</b>	\$3,169	\$2,635	\$2,001	\$1,421	\$1,001	\$6.14	\$4.63	\$0.57	\$0.43
Total Municipal Wide Services/Class of Services	<b>\$44,843</b>	<b>\$37,283</b>	<b>\$28,320</b>	<b>\$20,104</b>	<b>\$14,166</b>	<b>\$176.85</b>	<b>\$141.98</b>	<b>\$16.43</b>	<b>\$13.19</b>

The following is a schedule of the amended proposed City-wide DC rates by type of development, compared to the current DC rates, as well as the phased-in rate that will be charged in the first year after the City-wide DC By-laws are approved.

	Current Charges (2021 Study indexed to 2023 \$)	Feb. 13 <sup>th</sup> Proposed Charges (Study in 2023 \$)	Amended Proposed Charges (Addendum in 2023 \$)	Y1 (80%) Proposed Charges (Addendum in 2023 \$)
<b>Residential</b>				
Single / Semi-detached Dwelling	\$29,110 / unit	\$44,950 / unit	<b>\$44,843 / unit</b>	<b>\$35,874 / unit</b>
Apartment & Stacked Townhouse - Large (>=700 sq. ft.)	\$19,854 / unit	\$28,387 / unit	<b>\$28,320 / unit</b>	<b>\$22,656 / unit</b>
Apartment & Stacked Townhouse - Small (<700 sq. ft.)	\$12,753 / unit	\$20,151 / unit	<b>\$20,104 / unit</b>	<b>\$16,083 / unit</b>
Special Care / Special Dwelling Units	N/A	\$14,200 / unit	<b>\$14,166 / unit</b>	<b>\$11,332 / unit</b>
Other Multiples	\$23,832 / unit	\$37,372 / unit	<b>\$37,283 / unit</b>	<b>\$29,826 / unit</b>
<b>Non-residential</b>				
Retail	\$126.19 / sq. metre	\$177.60 / sq. metre	<b>\$176.85 / sq. metre</b>	<b>\$141.48 / sq. metre</b>
Non-Retail	\$126.19 / sq. metre	\$142.62 / sq. metre	<b>\$141.98 / sq. metre</b>	<b>\$113.58 / sq. metre</b>

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### **Relationship to Council's Strategic Priorities 2020-2022:**

Presentation of the City's 2024 Development Charges Background Studies and By-laws demonstrates responsible municipal management in which the following objectives are being met:

- a) Reinforce the commitment to maintain sound fiscal management;
- b) Wise management of resources in Richmond Hill; and
- c) Ensure open information flow and accessible decision-making.

### **Climate Change Considerations:**

Climate change considerations are not applicable to this staff report.

### **Conclusion:**

Richmond Hill has Infrastructure and servicing needs are required to support growth in the City. The projects described in the Background Studies are imminent, in order for development to proceed, staff recommend that the proposed 2024 Development Charges be approved and that the By-laws No. 6-24, 7-24, 8-24, 9-24, 10-24, 11-24, 11-25 in Appendix "A" and Appendix "B" be adopted by Council.

### **Attachments:**

The following attached documents may include scanned images of appendixes, maps and photographs. All attachments have been reviewed and made accessible. If you require an alternative format please call the contact person listed in this document.

- Appendix "A" - Addendum to the 2024 Development Charges Background Study
- Appendix "B" - Correspondence with BILD
- Appendix "C" - Revised Development Charges Interest Policy
- Appendix "D" - Large Office Buildings in the Richmond Hill Centre – Pilot Program
- Appendix "E" - City-wide Development Charges Deferral for Office Buildings
- Appendix "F" - City-wide Development Charges Deferral for Charitable Non-Profit Organizations Policy
- Appendix "G" - Amended Office of the City Manager Schedule "H" - Legal Division Services to By-law 94-23
- Appendix "H" - Amended Corporate and Financial Services Schedule "F" - Financial Services to By-law 94-23

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### Report Approval Details

Document Title:	SRCFS.24.008 - 2024 Development Charges Update - Council Adoption.docx
Attachments:	<ul style="list-style-type: none"><li>- SRCFS.24.008 - Appendix A - City-wide Development Charges Addendum Report.pdf</li><li>- SRCFS.24.008 - Appendix B - Correspondence with BILD.pdf</li><li>- SRCFS.24.008 - Appendix C - Development Charges Interest Policy.pdf</li><li>- SRCFS.24.008 - Appendix D - City-wide Development Charges for Large Office Buildings - Pilot.pdf</li><li>- SRCFS.24.008 - Appendix E - City-wide Development Charges Deferral for Office Buildings.pdf</li><li>- SRCFS.24.008 - Appendix F - City-wide Development Charges Deferral for Charitable NPOs Policy.pdf</li><li>- SRCFS.24.008 - Appendix G - Amended Office of the City Manager Schedule “H” - Legal Division Services to By-law 94-23.pdf</li><li>- SRCFS.24.008 - Appendix H - Amended Corporate and Financial Services Schedule “F” - Financial Services to By-law 94-23.pdf</li></ul>
Final Approval Date:	Mar 18, 2024

This report and all of its attachments were approved and signed as outlined below:

**Task assigned to Gigi Li was completed by delegate Lisa Chen**

**Lisa Chen on behalf of Gigi Li - Mar 11, 2024 - 2:06 PM**

**Sherry Adams - Mar 11, 2024 - 2:35 PM**

**Darlene Joslin - Mar 18, 2024 - 7:44 AM**